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THESIS

NAVY PUBLIC WORKS ADMINISTRATION

by

Donald Macpherson Haydon, Jr.

and

Kenneth Neil Schroeder

Eph 13

June 1980

Thesis Advisor: R. B. Cunningham

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This thesis is a textbook for a course of study in Navy Public Works administration; it is intended to be an overview of all functions related to the management of Naval shore facilities. Chapter I defines the functions, responsibilities and organization of the Public Works Department. Chapter II provides a summary of the operation and management of a Public Works Center, a separate command which serves all activities in a given area. Chapters III

and IV deal with real property management and shore facilities planning and programming. The essence of Navy facilities management--the maintenance management system--is discussed in Chapter V. Chapters VI and VII concern Public Works Department resources--the budgeting and accounting for financial resources, and the regulations and policies which impact upon civilian and military personnel management. The various contracts which are available for Public Works support are addressed in Chapter VIII. The remaining five chapters cover specific Public Works management concerns--family housing administration, utilities management, transportation equipment management, safety, and the environment.

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Navy Public Works Administration

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ABSTRACT

This thesis is a textbook for a course of study in Navy Public Works administration; it is intended to be an overview of all functions related to the management of Naval shore facilities. Chapter I defines the functions, responsibilities and organization of the Public Works Department. Chapter II provides a summary of the operation and management of a Public Works Center, a separate command which serves all activities in a given area. Chapters III and IV deal with real property management and shore facilities planning and programming. The essence of Navy facilities management--the maintenance management system--is discussed in Chapter V. Chapters VI and VII concern Public Works Department resources--the budgeting and accounting for financial resources, and the regulations and policies which impact upon civilian and military personnel management. The various contracts which are available for Public Works support are addressed in Chapter VIII. The remaining five chapters cover specific Public Works management concerns--family housing administration, utilities management, transportation equipment management, safety, and the environment.

TABLE OF CONTENTS

PREFACE---------- 6

I. THE PUBLIC WORKS DEPARTMENT---------- 10

II. THE PUBLIC WORKS CENTER---------- 62

III. REAL PROPERTY MANAGEMENT---------- 147

IV. PLANNING AND PROGRAMMING---------- 245

V. MAINTENANCE MANAGEMENT SYSTEM---------- 344

VI. PWD BUDGETING AND ACCOUNTING---------- 438

VII. PERSONNEL---------- 478

VIII. CONTRACTING---------- 600

IX. HOUSING ADMINISTRATION---------- 655

X. UTILITIES---------- 733

XI. TRANSPORTATION EQUIPMENT MANAGEMENT---------- 776

XII. SAFETY---------- 842

XIII. THE ENVIRONMENT---------- 858

CARTOON BIBLIOGRAPHY---------- 915

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PREFACE

The Navy can best accomplish its mission if ships and aircraft are ready and able to perform as designed, and if those ships and aircraft are manned by well-trained, competent personnel. The existence of shore facilities is vital to the readiness of ships and aircraft and to the support and retention of personnel. The ships and aircraft must have adequate and safe docking or landing facilities, repair shops and fuel points. In order for the Navy to attract and retain the personnel needed to man the ships and aircraft, modern housing and recreation facilities must be available to them. It is the responsibility of the facilities manager to plan and maintain the mission support and personnel support facilities that are so essential to the mission.

Facilities management, or in Navy terminology, Public Works Administration, is often considered to be static and uninteresting because it deals with the routine and unglamorous functions of providing utilities services and fixing whatever breaks. However, in many respects this attitude is unfounded. The facilities management field is dynamic; it must be dynamic in order to meet the challenges of reduced funding but aging facilities, the increased cost and reduced availability of energy sources, the commitment to environmental protection, new management processes made possible by the computer, new equipment technology, and the changing policies

reflecting public attitudes and opinions. The Public Works manager must meet these challenges with imagination and resourcefulness.

This textbook is written for use in a course of instruction in Public Works Administration. It is intended to serve a wide variety of audience ranging from Civil Engineer Corps officers with one or more tours of duty in Public Works, to Department of Defense civilian personnel, the Navy and other service officers with no previous Public Works experience. For the experienced CEC officer the text should serve as a summary of the various topics and a guide to sources of more specific information. For those new to the Public Works field it should provide an overview of the areas of concern in facilities management, and an understanding of the concerns of Public Works managers. This text is not intended as an authoritative statement of Navy policy, nor does it provide step-by-step instructions for action in specific areas. It does summarize policies and procedures and direct the reader to authoritative sources of information, such as Department of Defense directives and publications.

The basic sources of information used in preparation of the text are the many instructions and manuals published by the Department of Defense, Chief of Naval Operations, Naval Facilities Engineering Command, and the Civil Engineer Corps Officers School. Additional sources include non-military facilities maintenance books, current publications such as the Navy Civil Engineer Magazine and the Military Engineer

Magazine, and personal experience and discussions with Public Works personnel. A bibliographic reference list is provided at the end of each chapter, along with a listing of suggested references pertinent to that chapter.

The text chapters were organized, in general, in accordance with priority of concern in considering an activity Public Works organization. The first chapter defines the Public Works Department, its organization and functions, and the organizations which support it. The second chapter provides a complete synopsis of the Public Works Center, an entity distinct from the Public Works Department, and having different procedures and responsibilities. The following chapters deal with the fundamentals of real property and facility planning--how the activity is established, how facilities are constructed, and planning for new facilities. The fifth chapter reviews the essence of the Public Works administration program, the maintenance management system--how the activity maintains and repairs its facilities with scarce assets. Chapters six and seven deal with resources--a consideration of how the PWD budgets, obtains and accounts for financial resources, and a review of some of the concerns of civilian and military personnel management. The next chapter provides an overview of the various contract formats which are used by the PWD to manage, maintain, repair or construct facilities. The final five chapters are about specific Public Works Department responsibilities. The planning, operating and maintenance of family housing are discussed in chapter nine. Chapters ten

through thirteen deal with utilities management, transportation equipment management, safety and the environment. Bibliographies, lists of suggested references and appendices are included at the end of each chapter.

Because the scope of this text is broad, and because the facilities management field is so dynamic, it is recognized that some information contained herein may be outdated shortly after publication. It is, therefore, intended that users of the text revise it as necessary to reflect current policies and procedures. Readers who have had experience in the specific areas of Public Works management may provide input to study of those areas through class discussion.

5 March 1980

Donald M. Haydon, Jr.
Kenneth N. Schroeder

CHAPTER I

THE PUBLIC WORKS DEPARTMENT

A. FUNCTIONS AND RESPONSIBILITIES ---------- 12

1. Introduction ---------- 12

2. Definition ---------- 12

3. Functions ---------- 13

B. PUBLIC WORKS DEPARTMENT ORGANIZATION ---------- 15

1. Concepts ---------- 15

2. Organization ---------- 16

a. Basic Elements ---------- 16

b. Responsibilities and Functions ---------- 18

c. Alternate Organizations ---------- 33

3. Staffing ---------- 34

a. Personnel ---------- 34

b. Size Criteria ---------- 34

C. THE PUBLIC WORKS DEPARTMENT IN THE COMMAND ---------- 36

1. Area of Responsibility ---------- 36

2. Intra-Activity Relationships ---------- 37

a. Operations Departments ---------- 38

b. Executive Officer ---------- 38

c. Supply Department ---------- 38

d. Comptroller ---------- 40

e. Administrative and Personnel Departments ---------- 42

f. Medical Department ---------- 42

g. Mutual Assistance ---------- 43

h. The Customer---------- 44

D. SUPPORT FOR THE PUBLIC WORKS DEPARTMENT---------- 45

1. Introduction---------- 45

2. NAVFAC---------- 45

a. Naval Facilities Engineering Command------- 45

b. Engineering Field Divisions---------- 48

c. Housing Management Centers---------- 50

d. Transportation Equipment Management Centers---------- 50

e. Resident Officer in Charge of Construction---------- 51

f. Navy Environmental Support Office---------- 53

g. Civil Engineer Support Office---------- 53

h. Civil Engineering Laboratory---------- 54

i. Facilities Systems Office---------- 54

j. Other PWDs---------- 54

3. Major Claimant---------- 55

4. Area Coordinator---------- 56

E. THE PUBLIC WORKS DEPARTMENT AND THE COMMUNITY------ 57

BIBLIOGRAPHY FOR CHAPTER I---------- 61

SUGGESTED REFERENCES---------- 61

I. THE PUBLIC WORKS DEPARTMENT

A. FUNCTIONS AND RESPONSIBILITIES

1. Introduction

The Naval shore establishment exists to support the operating forces of the Navy; the Public Works organizations exist to maintain and support the shore establishment. The basic function of public works organizations is to manage the facilities of the shore establishment during their entire life cycle--from planning, design and construction, through maintenance and repair, and finally to demolition or disposal.

2. Definition

"Public works" is defined as the buildings and structures at a naval shore activity, including permanent fixtures therein, and all fixed equipment pertaining thereto (NAVFAC P-68). The following types of buildings, structures, fixtures and equipment are classified as "public works": air fields; ammunition storage facilities; amphibious pontoon equipment; bridges and causeways; buildings (including furniture and fixed equipment); coal facilities, communication stations and equipment (except mission operations equipment); docking facilities; special purpose towers and structures; gas generation and distribution systems; harbor improvements; petroleum, oil and lubricant facilities; power generation and distribution systems; railroads; refrigeration plants; refuse disposal plants; roads, pavements and grounds; sewer systems and

treatment plants; shipbuilding ways; storm drainage systems; target ranges; walls and fences; water collection, storage, treatment and distribution systems; and waterfront facilities.

3. Functions

The Public Works Department (PWD) is responsible for all matters pertaining to management of those things classified as public works.

These matters normally include:

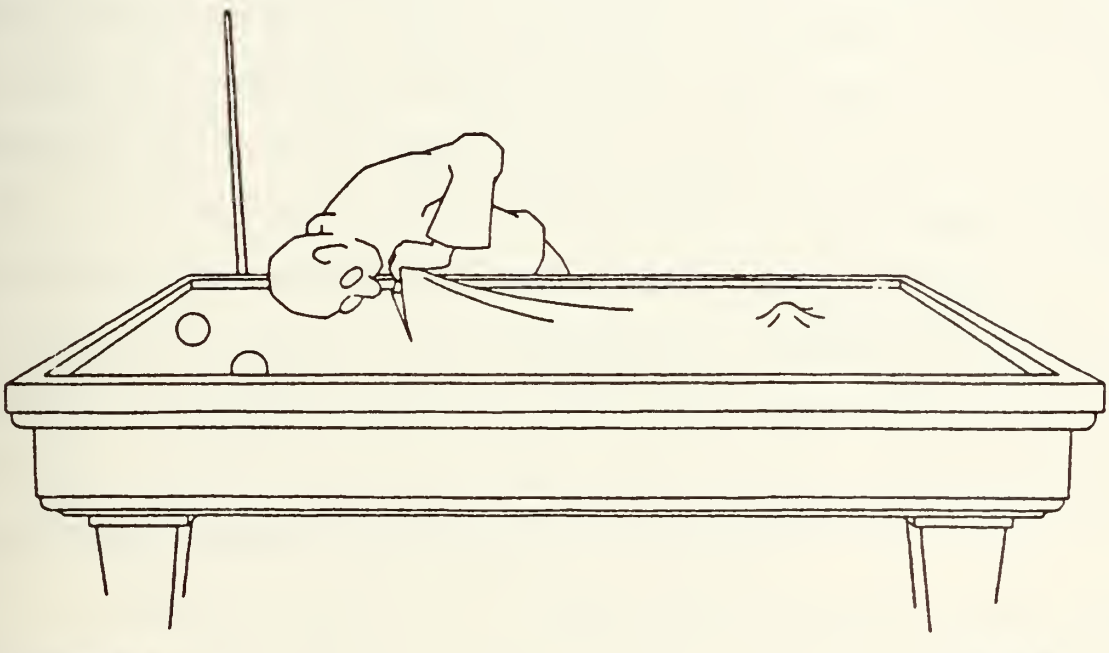
- Facilities planning and programming
- Real estate management
- Facility design and construction
- Facilities maintenance, repair, minor construction, alteration, and equipment installation
- Utility system operation and maintenance
- Facility disposal
- Transportation fleet management, operation and maintenance
- Housing administration
- Environmental protection program management

Each major function is usually broken down into subfunctions which relate to the particular characteristics of that function, such as utilities service contracts or utilities production. Cutting across all of these functions are various basic managerial techniques, such as personnel management, budgeting, material management and reporting [CECOS, 1979].

The Public Works Officer (PWO) may also have additional duty as Resident Officer in Charge of Construction (ROICC). Under this duty the PWO is part of the Naval

Facilities Engineering Command (NAVFAC), and is responsible for design and construction of new facilities at the activity.

Other responsibilities which may be assigned to a PWD include fire protection/prevention services, and disaster preparedness/recovery.



(Bailey, 1975)

B. THE PUBLIC WORKS DEPARTMENT ORGANIZATION

1. Concepts

Planning and control are essential functions in any organization, whether it be the local PTA, a commercial firm, or a government entity. In the most basic terms, "planning and control" refers to the process of planning what actions will be taken and then taking management actions--control--to attain the planned goals. The planning process may extend over a broad range of time frames and constraints; from the conceptual strategic planning of the future position of the organization, to long range plans to reach the desired position, to short range plans of the tasks to be accomplished by a specific group tomorrow. The control function involves measuring the output of the organization, comparing that output with the planned goals or objectives, and then taking the necessary actions to modify the organization's actions so that output more closely approximates the goals.

Ideally, a person or organization would plan its goals, perform its task, compare output with the goal, and make any necessary changes. This can be done easily and informally in a very small organization; but as the organization gains size, and therefore complexity, the production personnel become too involved with their primary duty to be concerned with the planning and control functions. If this organization desires to retain effective planning and control, separate divisions would normally be established to provide the planning and control functions.

The principles of planning and control are evident in the design of the standard PWD organization. Two key organizational principles which guide design of the PWD organization are: the establishment of a component responsible for work generation, job planning and scheduling, which is administratively separate from those who perform the work; and the promotion of production efficiency by providing adequate work planning and by relieving production supervisors of unnecessary administrative duties.

2. Organization

a. Basic Elements

The basic PWD organizational elements are shown in figure I-1. It is noted that the PWD organization to be discussed is the basic design developed by the Naval Facilities Engineering Command, and that there may be as many variations to the design as there are Naval activities. This basic organization must be modified to meet the needs of the local situation in consideration of activity size, mission and location, proximity to other activities, and other factors. Some typical changes to the standard organization are discussed in section 2.c. The management staff of the geographic Engineering Field Division is available for assistance in developing or revising PWD organization design. Significant changes to the department organization must be authorized by NAVFAC and the Major Claimant.

The PWO as the department head is responsible to the Commanding Officer (CO) for all facilities management matters.

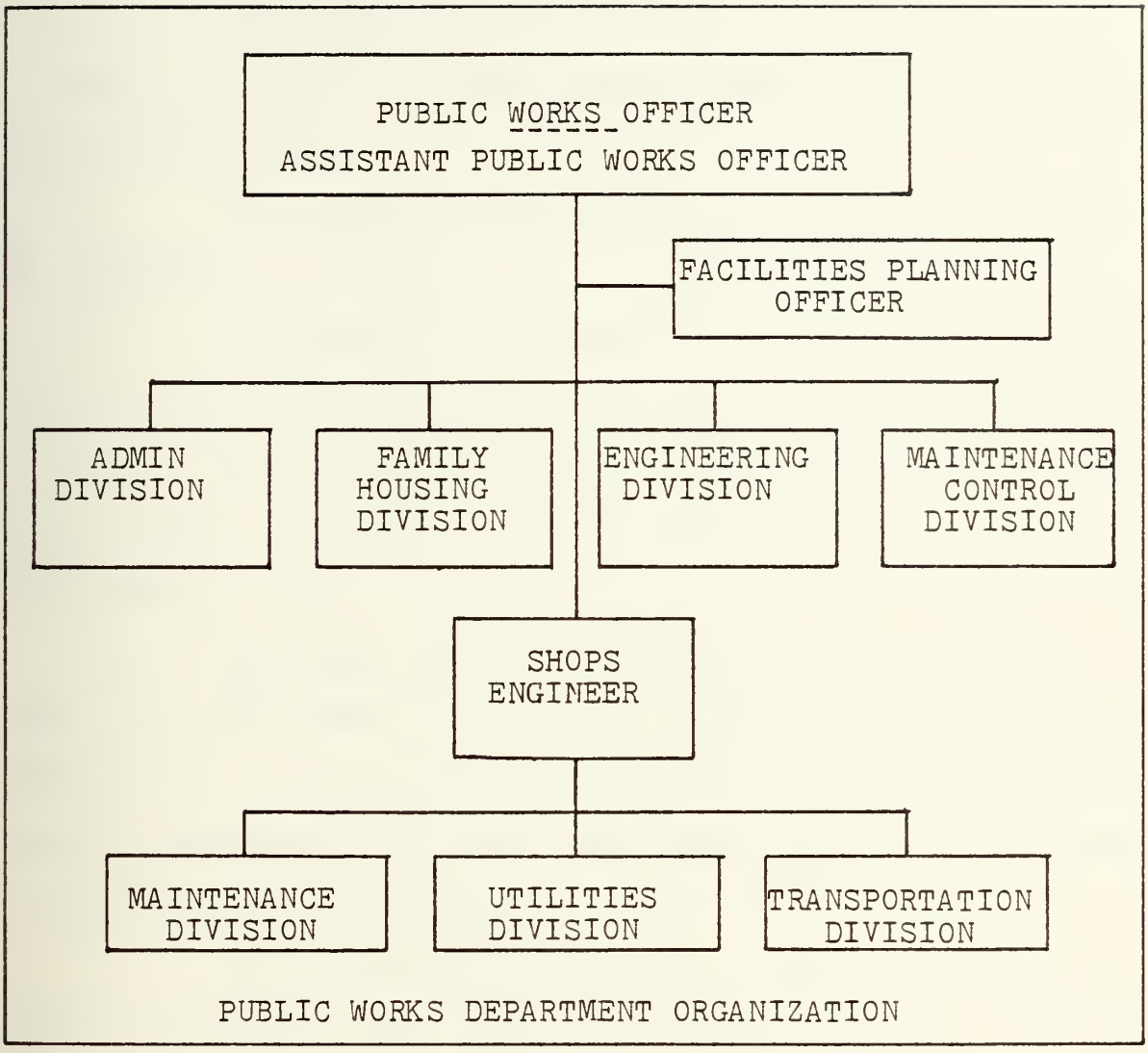


Figure I-1

The Facilities Planning Officer in a staff position is responsible for long range planning for facilities matters.

The Administrative Division supports the other PWD divisions by providing office services, preparing reports and budgets.

The Family Housing Division is responsible for all matters related to family housing operation, maintenance and administration.

The Engineering Division is the technical staff of the PWO.

The Maintenance Control Division (MCD) provides the elements of planning and control for the PWD production divisions. The MCD identifies work to be accomplished, plans and schedules the work, and establishes standards for job performance.

The Shops Engineer is responsible for the PWD shops--the PWD production division. The organization of the shops follows the functional lines, with the three divisions being divided among the three major work outputs: maintenance, transportation, and utilities.

The Maintenance Division is responsible for performing maintenance and repair work on buildings and structures.

The Utilities Division is responsible for operation and maintenance of utilities generation and distribution systems.

The Transportation Division is responsible for operation, maintenance and administration of the transportation fleet.

b. Responsibilities and Functions [Source: NAVFAC P-318, Organization and Functions for Public Works Departments]:

"Barton, do you have something you want to share with the rest of us?"

(Weber, 1979)

(1) Public Works Officer. The PWO is a Civil Engineer Corps Officer (CEC), responsible to the CO for all facility-related matters. As a manager, the PWO is responsible for all functions of the PWD.

(2) Administrative Division. (Figure I-2) The Administrative Division is responsible for all matters pertaining to organization, methods and procedures; civilian personnel; office services; reports and statistics; and budget and finance. In addition, when local conditions warrant material purchases by the PWD, this function will normally be performed by the Administrative Division.

Personnel Branch. The Personnel Branch of the Administrative Division is responsible for timekeeping

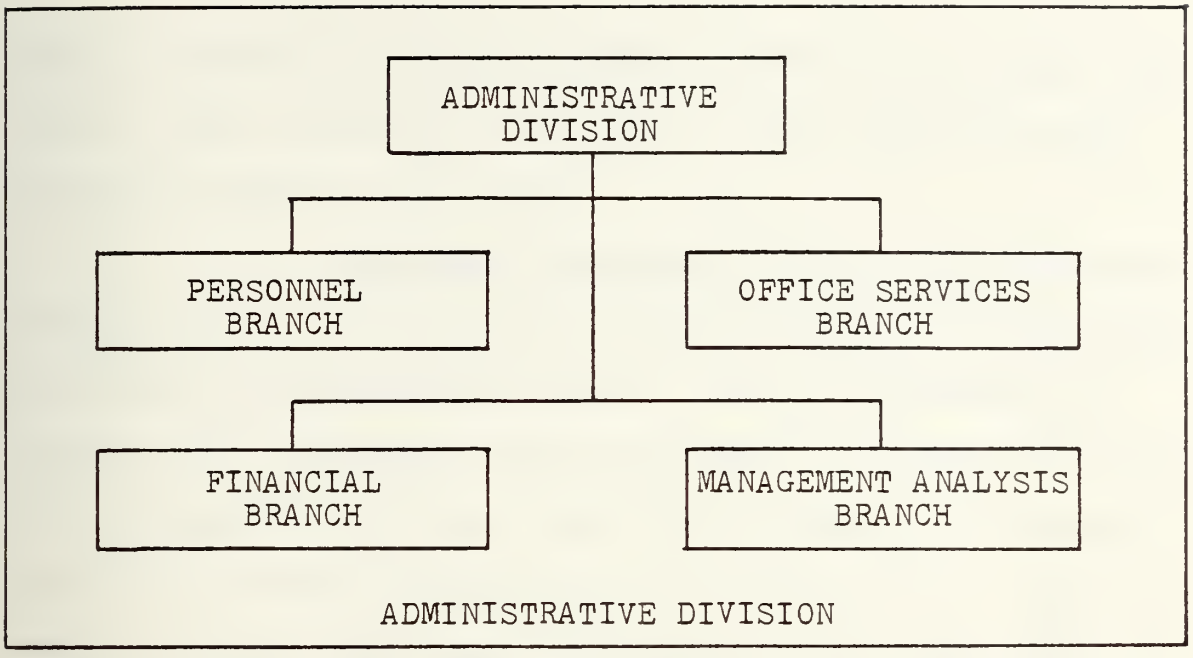


Figure I-2

and personnel records, and for maintaining liaison with the activity Civilian Personnel Office (CPO). The PWD normally should rely upon the CPO for technical personnel services and should not duplicate any services which that office provides.

Office Services Branch. The Office Services Branch of the Administrative Division is responsible for distribution of office supplies, furniture and office equipment; stenographic and typing pool services; duplicating services; messenger services; and central files.

Financial Branch. The Financial Branch of the Administrative Division is responsible for developing, coordinating, and presenting budgets; fiscal auditing and accounting; compiling, recording, and reporting real property data; inventorying and recording public works materials and equipment. The branch maintains accounting controls on

Expense Operating Budgets made for the PWD and controls job orders from a financial standpoint. This branch provides accounting data for job orders.

Management Analysis Branch. The Management Analysis Branch of the Administrative Division is responsible for conducting management analysis studies pertaining to organization, staffing, work measurement, workflow, and civilian personnel utilization; provision of special procedures and methods studies; maintenance of records of all reports required by the Department, the due dates of such reports, and information showing compliance with reporting requirements; the accumulation of statistics and the preparation of statistical reports, and charts and graphs as required. Advises the PWO, under the management-by-exception principle, of areas that require follow-up and corrective action.

(3) Family Housing Division. (Figure I-3) Each installation having family housing management responsibilities has a centralized Family Housing Office. Centralized responsibilities for family housing management are assumed

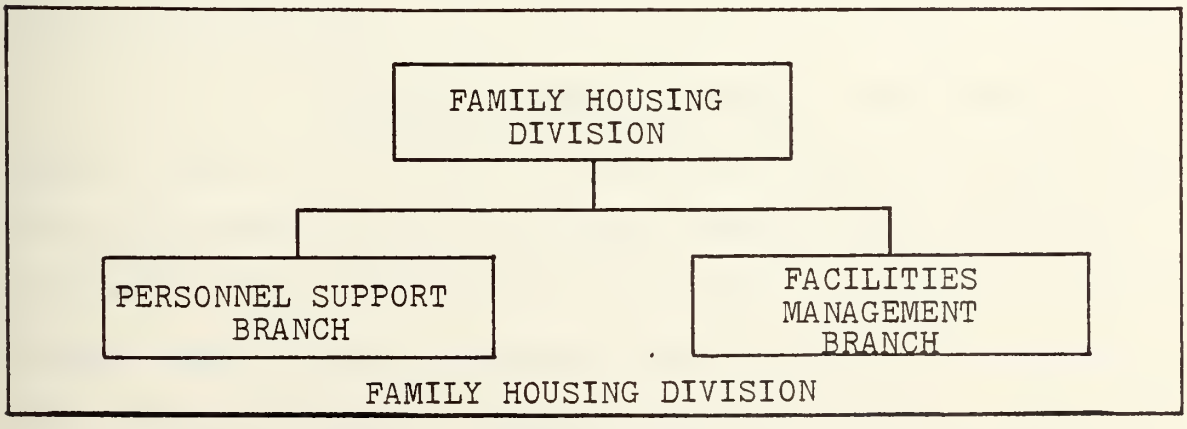


Figure I-3

by a Family Housing Division within the PWD. The Family Housing Division is responsible for management of all aspects of family housing. This organization is headed by a Family Housing Manager who is directly responsible to the PWO. Specifically, the Manager is responsible for conducting the housing requirements surveys; programming housing acquisitions; planning for operation, maintenance, repairs, alterations, and improvements; translating plans and programs into budgetary requirements; managing resources (funds, manpower, and utilities), controlling, issuing, and repairing household furniture and equipment; monitoring assignment and utilization of housing units; conducting habitability inspections; monitoring occupant maintenance and self-help projects; preparing and/or reviewing housing reports, such as inventory and utilization, housing referral, and financial; comparing operational performance to goals; administering housing referral services; maintaining a close working relationship with other organizational entities and maintaining liaison with local authorities, real estate organizations, and community groups to promote and encourage the cooperative achievement of goals.

Personnel Support Branch. The Personnel Support Branch of the Family Housing Division is responsible for those administrative functions dealing with satisfying requirements for locating housing, such as: housing referral service, HUD program, assignment, and termination, requirements surveys, leasing acquisition/certification, inventory and utilization, and collections.

Facilities Management Branch. The Facilities Management Branch of the Family Housing Division is responsible for the maintenance of real property and equipment, and also for response to the occupants' needs related to the housing units. Specific functions are: financial management, maintenance management, special projects, occupancy inspections, resource conservation, community centers, furnishings, and occupant relations.

(4) Engineering Division. (Figure I-4) The Engineering Division of the PWD is responsible, with regard to public works and public utilities, for all matters pertaining to engineering studies and reports; preliminary designs and estimates for Special Projects; engineering design, including development of plans and specifications with due recognition of the support available from the geographic NAVFAC EFD; field engineering, including hydrographic and subsurface surveys; photographic services; and the maintenance of technical plan files and records. This Division is responsible for preparation of shore facilities planning reports and for the submission of basic data required by the EFD for preliminary engineering studies, including environmental impact analyses and project economic analyses.

Whenever the workload justifies such action, the Engineering Division may be subdivided into the following branches: Electrical Branch, Mechanical Branch, Architectural Branch, Civil and Structural Branch, Plans and Specification Branch, and Facilities Planning Branch.

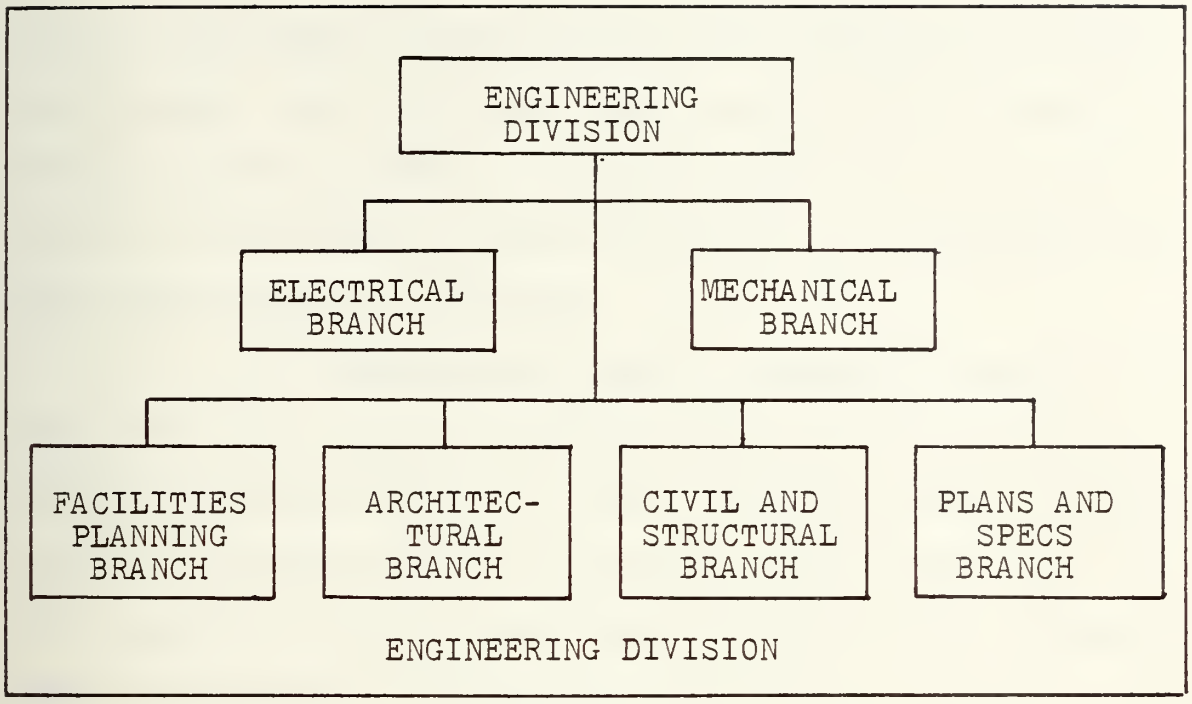


Figure I-4

Support by the NAVFAC Engineering Field Division (EFD). The Engineering Division should be sufficient to handle only routine work, and should rely upon the geographic Engineering Field Division (EFD) for the design of major projects, the preparation of specifications in connection therewith, and engineering investigations in specialized fields.

Energy Resources Management. Each shore activity has been directed to establish a focal point for energy matters. Depending upon the size of the activity and its mission, this function may be contained within the PWD. In large activities using significant quantities of purchased and/or generated energy, the designation of an energy conservation engineer as a primary responsibility may be justified. This function may be assigned to the Engineering Division due

to its close association with utilities design and project programming. Alternatively, this specialized position may be given special emphasis as principal advisor to the PWO. Close coordination with other divisions of the PWD and with other departments is required.

(5) Maintenance Control Division. (Figure I-5) The Maintenance Control Division of the PWD is responsible for the integration of short and long range maintenance plans and for workload programming; screening and classifying all work requests prior to submission to the shops for accomplishment; the continuous inspection of shore facilities to reveal the need for maintenance work; the preparation of manpower and materials estimates for job orders; the determination of the need for engineering advice and assistance; and the initiation of requests to the PWO for approval to perform work by contract. The Division is also responsible for review, recommendation, and justification to the PWO for funding of special maintenance, alteration and repair projects when indicated by recurring or costly maintenance experiences.

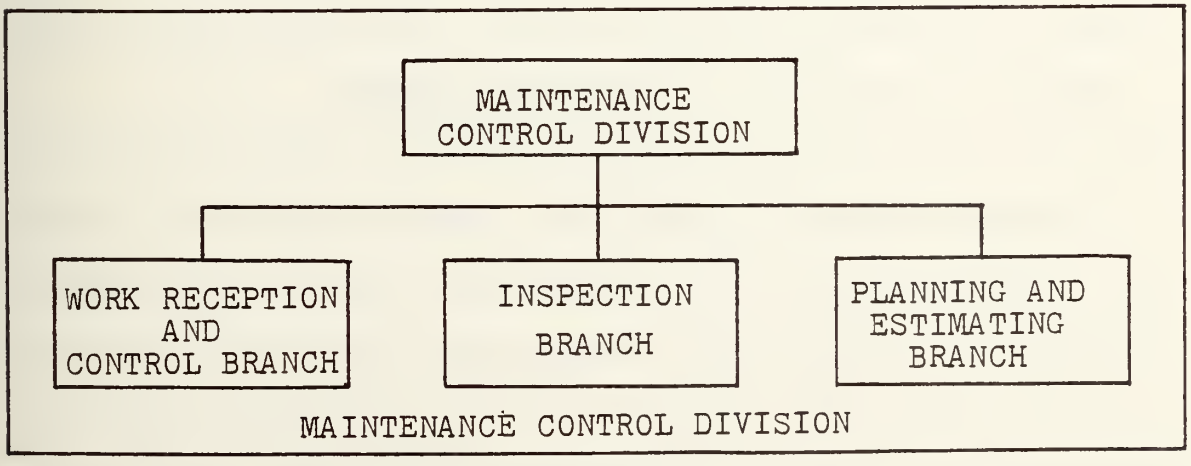


Figure I-5

For the usual types of maintenance work, and within limits specified by the PWO, authority to approve job orders is delegated to the Director of the Division. The MCD is responsible for the preparation of all estimated standing job orders as they apply to the maintenance and operation of transportation equipment and utilities systems.

Work Reception and Control Branch. The Work Reception and Control Branch of the Maintenance Control Division is responsible for receiving inspection reports and work requests, screening and classifying all formal work requests for estimating and engineering work requirements, preparing preliminary scoping estimates of jobs prior to formal estimating and engineering, forwarding inspection reports and associated work requests to the Engineering Division and Planning and Estimating Branch for appropriate action, providing customer liaison, maintaining status of inspection reports and work requests, administering a standard work priority system equitable for all PWD customers, administering maintenance service contracts based on contractural authority vested in the PWO/OICC, and the master scheduling function.

Inspection Branch. The Inspection Branch of the Maintenance Control Division is responsible for development of realistic inspection schedules based on priority, recommended frequency, and resource availability; utilizing inspection standards and practices; performance of assigned inspections of shore facilities within established schedules; establishment and technical control of preventive maintenance

inspections for shop forces; preparation of inspection reports reflecting physical condition of the plant; and preparation of the Type "A" Annual Inspection Summaries.

Planning and Estimating Branch. The Planning and Estimating Branch of the Maintenance Control Division is responsible for preparation of manpower and material cost estimates (using Engineered Performance Standards) for work generated either from the shore facilities inspection system or work requests; preparation of material requisitions for nonstandard-stock items; the compilation of estimating information designed to improve estimating techniques for labor and material costs. The Branch is also responsible for overall job planning for work to be accomplished, and for initiating job orders for all maintenance work performed by the Maintenance and Utilities Divisions.

(6) The Operating Divisions. The Operating Divisions are the production divisions of the PWD. The Shops Engineer (a CEC officer at a large activity) or the Shops Division Director (a civilian at medium and small activities) directs and coordinates all matters pertaining to the operation of the Maintenance, Utilities and Transportation Divisions, and maintains liaison between the PWD and other components of the activity on maintenance, utilities and transportation matters.

Operating division directors report directly to the Shops Engineer or the Shops Division Director on all matters concerning civilian personnel actions and grievances

within the divisions. In addition, operating division directors in their supervisory capacity are responsible for production control--assuring that actual direct labor hours do not exceed estimated or standard hours where established; overhead control--assuring that actual overhead percentage amounts are not excessive, or do not exceed standard amounts where established; job assignments--assuring that job assignments are so regulated that delay times are minimized; quality of workmanship--final inspection of shop work; material usage--verification of material usage; personnel assignment--assignment of personnel as workload and backlog dictate; personnel training--insuring proper training for various trade groups as required to maintain and upgrade skills in conformance with civilian personnel objectives and organization needs; labor relations--supervisory personnel must be trained in labor relations and be thoroughly familiar with current labor relations agreements.

(7) Maintenance Division. (Figure I-6) The Maintenance Division is responsible for the preventive maintenance inspection program and maintenance of all public works, public utilities, refrigeration units, government owned internal communication and fire alarm systems, and roads and railroad trackage; receiving emergency/service work requests and performing the work. Responsibilities include, when authorized, repair, alteration and new construction incident to repair, as well as maintenance. The Division accomplishes maintenance work on utilities plants

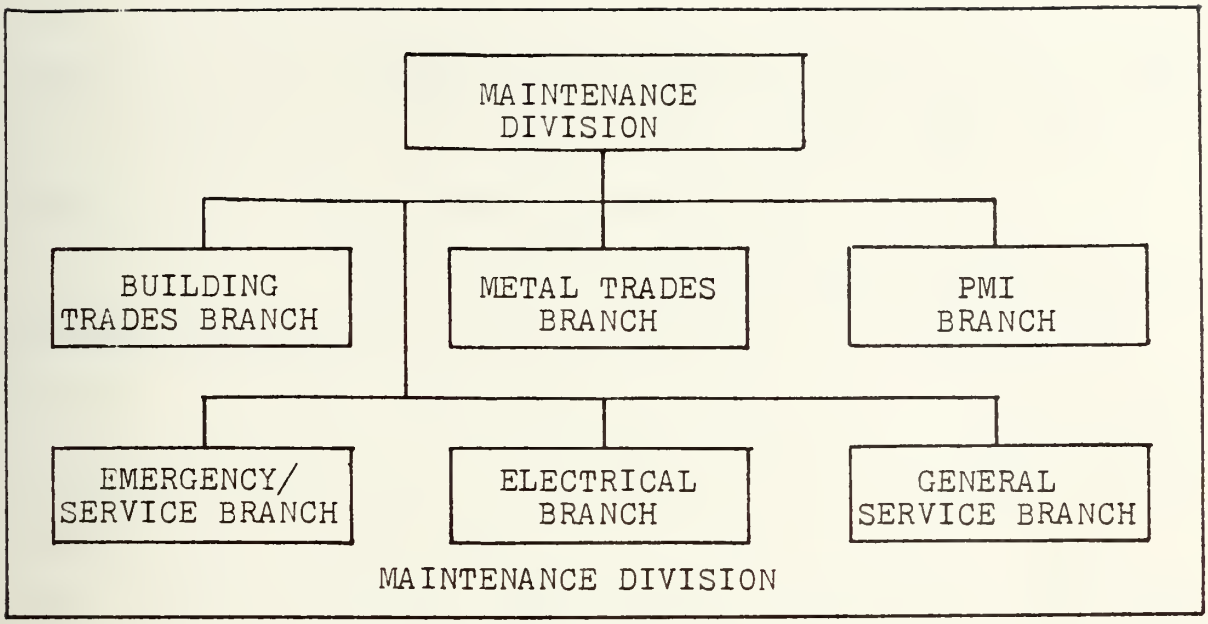


Figure I-6

and systems, provides caretaking services, maintains grounds, provides personnel for solid waste collection, and accomplishes pest control services.

The shop components of the Maintenance Division vary among sizes and types of activities due to trade workload requirements. The shops which may be included in the division are: Metal Trades Branch--plumbing and pipe fitting, boiler, sheetmetal and machinist trades; Electrical Branch--electrical, refrigeration and air conditioning, communications and fire alarm specializations; General Service Branch--janitorial and grounds, refuse collection and disposal, ground structures (railroad, roads, etc.), pest control services; Preventive Maintenance Inspection Branch--an optional branch for large activities; and Emergency/Service Branch--

responsible for accomplishing 50 percent or more of all work of an emergency/service nature, thus freeing other shops to devote their time to scheduled maintenance work.

The staff of the Maintenance Division may include personnel for clerical assistance and production control functions. The Maintenance Scheduler provides overall job planning for the Maintenance Division. Shop Planners provide supplemental detailed planning at the work center level, prepare material requisitions to forward to the Supply Department, maintain material procurement status, and arrange for delivery and pick-up of materials.

(8) Utilities Division. (Figure I-7) The Utilities Division is responsible for operating utilities plants and distribution systems and monitoring the maintenance of plants and systems. The Division is responsible for performing the operator inspections and preventive maintenance inspection/service in accordance with maintenance management procedures for power, heating, refrigeration,

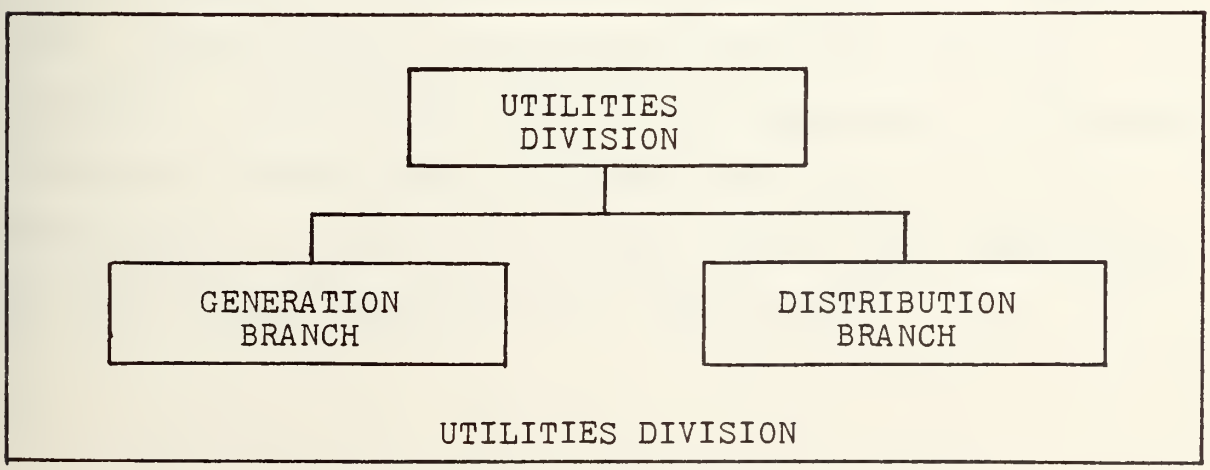


Figure I-7

compressed air, water and sewage treatment plants; providing feeder data for the utilities management system; and promoting and supporting utilities conservation methods and measures. The Division is also responsible for scheduling shut-down time for equipment maintenance, and for accomplishment of systems maintenance and overhaul.

When the size and complexity of the utility systems warrant, the Utilities Division may be divided into two branches: Generation Branch--steam, electric, water, sewage, compressed air, and air conditioning production; and Distribution Branch--mechanical and electrical distribution systems. The staff of the Division may include personnel for clerical assistance, production control, and utilities technical and cost accounting analyses.

(9) Transportation Division. (Figure I-8) The Transportation Division is responsible for providing transportation and equipment services to all components of the activity. These services include operating vehicle and equipment pools; operating scheduled and unscheduled passenger and freight transport systems; maintaining automotive, construction, railroad, mobile firefighting and weight-handling equipment. The Division Director is responsible for planning, organizing and developing equipment, manpower and funding requirements; as well as directing, supervising, controlling and coordinating the work of the two branches.

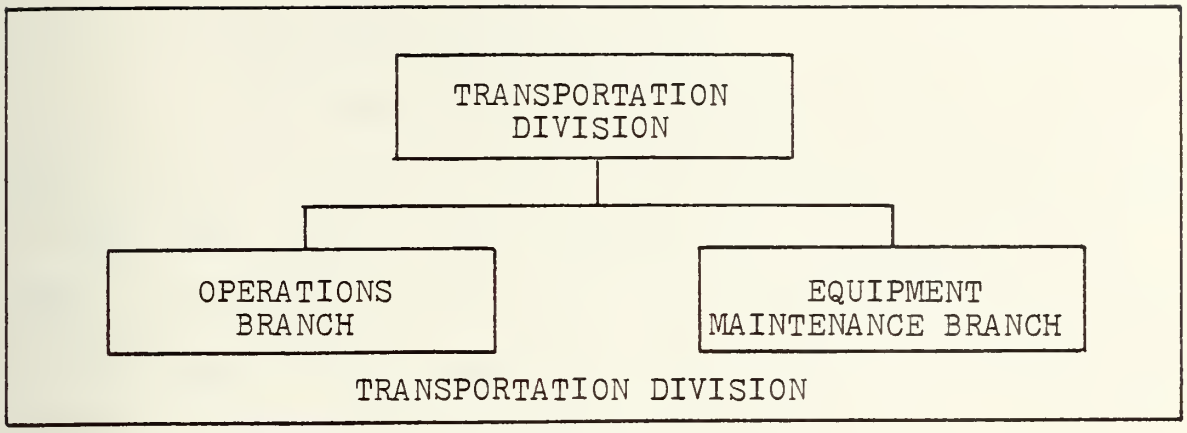


Figure I-8

Operations Branch. The Operations Branch of the Transportation Division is responsible for operating activity bus and taxi systems; operating trucking system for intra-station movement of material and equipment; operating the solid waste collection system; providing equipment and operators to assist in facility maintenance functions, including rigging and heavy lifts; assigning vehicles on long term assignment to using departments; operating the activity motor pool, and assigning vehicles on a daily or trip basis.

Maintenance Branch. The Maintenance Branch of the Transportation Division is responsible for planning and scheduling all maintenance actions, and ensuring efficient shop loading in order to minimize equipment down time; inspecting, diagnosing and performing maintenance necessary to ensure safety, reliability, and efficiency of the motor vehicle fleet; planning and coordinating maintenance work to achieve maximum productivity and quality, and minimum inefficiency and waste.

c. Alternate Organizations

The PWD organization shown in figure I-1 and described in Section b, above, is the standard structure for a large PWD; however, the functions are applicable to all PWDs. Variations in work volume and complexity govern design of the organization. The basic functions to be included in any PWD are management (the PWO), administration, family housing, engineering, maintenance control and production (shops). Depending upon the size of the organization, the basic functions are subdivided as shown for the large PWD, or combined for smaller PWDs. For example, figure I-9 shows the organization of the PWD of a small activity, which has from 30 to 75 maintenance personnel.

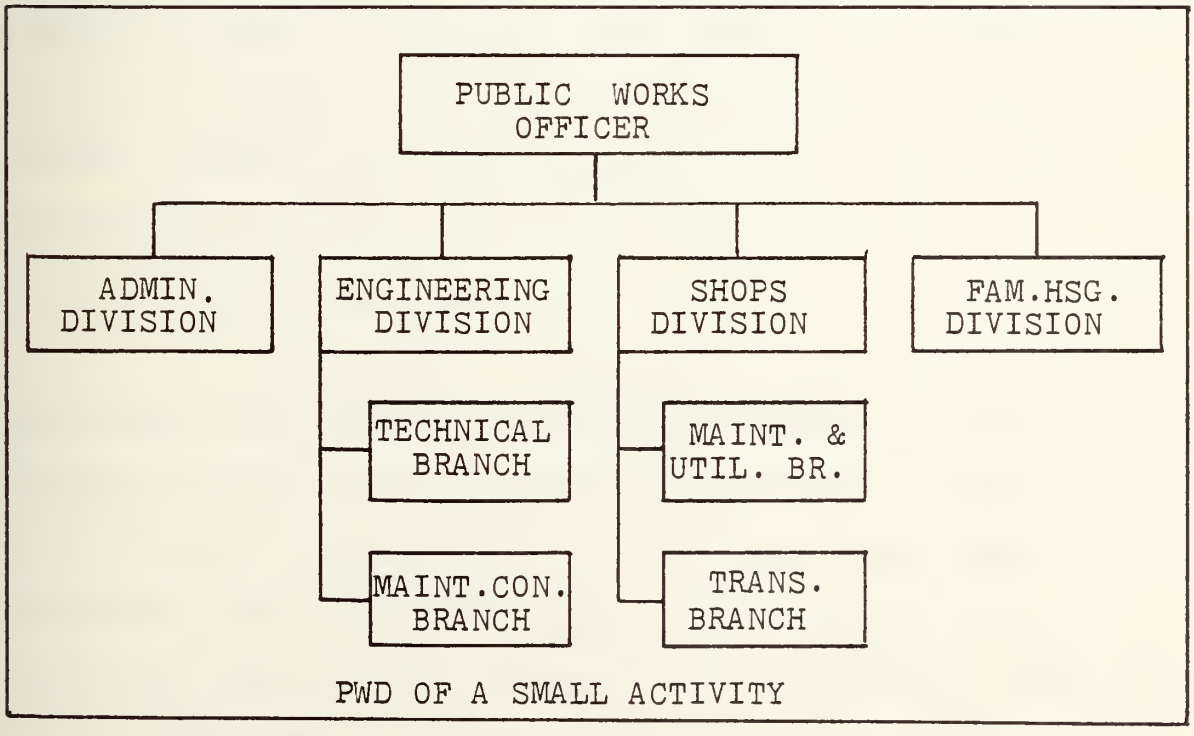


Figure I-9

In the small PWD the branches are eliminated in the Administrative and Family Housing Divisions, and their functions are performed at the division level. Also in the small PWD the Engineering and Maintenance Control Divisions may be combined, and the Maintenance and Utilities Branches of the Shops may be combined.

3. Staffing

a. Personnel

The PWD may be staffed by military officers and enlisted personnel, and by civilian general schedule and wage board personnel. The PWO, APWO, Shops Engineer and Facilities Planning Officer billets may be filled by Civil Engineer Corps officers. The criteria for determining the CEC staffing are detailed in NAVFAC P-318, and include the number of people in the PWD, amount of facilities O&M,N and FHMA,D funds, current plant replacement value, and other factors. The administrative and technical divisions are predominantly staffed with general schedule civilian employees, while the operating divisions are staffed with wage board employees.

b. Size Criteria

To provide the required services, public works activities must maintain adequate and properly balanced staffs. Several factors are considered in developing staffing levels, but a current valid workload is of primary importance. All documented work, including planned and estimated job orders, inspection reports, work requests and other known requirements must be considered. The general policy of the Department of

Defense is that in the United States, new construction, alteration and repair shall be performed by contract. An activity's work force should not exceed that required to accomplish the normal level of routine recurring maintenance and upkeep. No attempt should be made to cover peak loads of work with this basic force. A well documented backlog is very important in assessing the staffing requirements of the PWD [Hocutt, 1974].

Backlog is not the only factor considered in determining staffing requirements. Emergency service requirements, dynamic equipment inspection services and standing job orders represent fixed recurring requirements of maintenance. In determining maintenance control staffing requirements, a variety of functions are considered.

Generally, maintenance staffing is based on a six-month backlog for each trade. This means that after covering all fixed, recurring work, remaining staffing should be able to accomplish all known and valid in-house work requirements within six months, provided that no additional work is injected into the system [Hocutt, 1974].

Another criterion which can be used to provide an estimate of total maintenance manpower needs is based on current plant value (CPV) of the activity, as determined from NAVFAC P-164, the Detailed Inventory of Naval Shore Facilities. Figure I-10 provides a graph relating numbers of personnel to CPV.

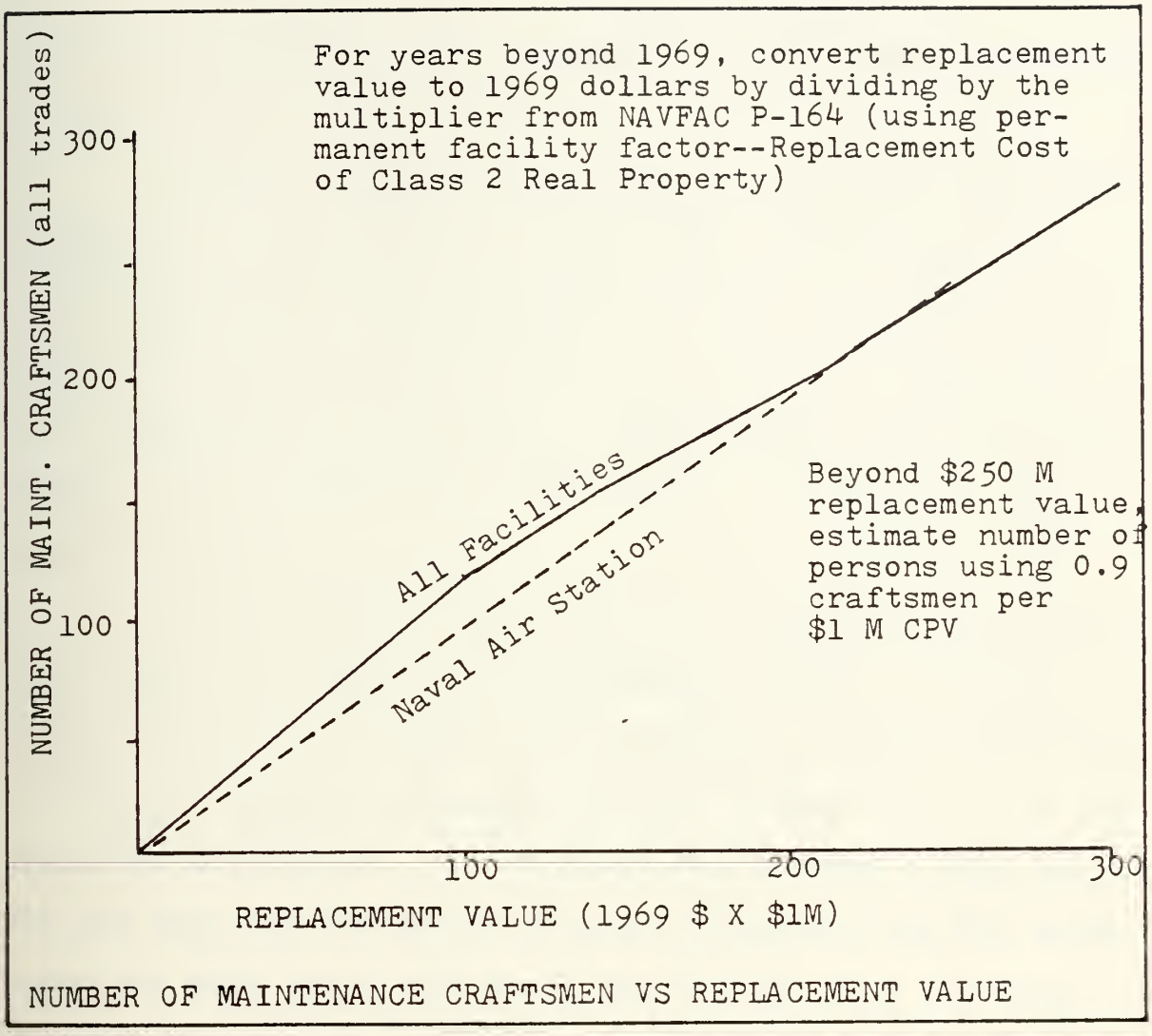


Figure I-10

C. THE PUBLIC WORKS DEPARTMENT IN THE COMMAND

1. Area of Responsibility

Navy Regulations assign to the Commanding Officer of an activity the responsibility for the material condition of the facility. Accountability flows to the CO from the Chief of Naval Operations (CNO) through the operational chain of command. Normally, the activity Public Works Officer is delegated the authority and held responsible for all matters

pertaining to public works management and material condition of facilities.

In some locations where several Navy activities are located in close proximity, it has been deemed prudent for the Public Works Department of one of the activities to provide public works services for all activities in the area. The organization is defined as a Public Works Lead Activity (PWLA), but it remains an organizational component of its parent activity.

A Public Works Center (PWC) is a separate organization under the command of the Commander, NAVFAC. PWCs are located in areas of large concentrations of Naval (and other service) activities, and provide public works services to the supported activities. The distinctions between a PWLA and a PWC are that the PWC serves a larger clientel, the PWC works under the Navy Industrial Fund, and the PWC is a separate command rather than a component of one activity.

The PWD and the PWLA have essentially the same functions and responsibilities. This chapter deals with the PWD; the PWC because of its unique position will be discussed in a separate chapter, Chapter II.

2. Intra-Activity Relationships

The PWD is a service organization--its primary function is mission support; it provides service to all other departments and organizations of the activity. The PWD is also a user of services provided by other activity support departments. Some of the principal departments with which the PWD interacts are:

a. Operations Departments

The Operations Departments are those which carry out the mission of the activity. The PWD supports these departments by providing the facilities, utilities and equipment necessary to accomplish the assigned mission. It is imperative that the PWO and key PWD personnel be aware of the activity mission and of the PWD support expected and required by the operators. A knowledge of the mission needs will enable the PWD to better schedule and prioritize PWD work in support of the mission; this knowledge will also help the PWD avoid placing a high priority on unjustified work simply because it was reported by the operating department!

b. Executive Officer

Normally the Executive Officer (XO) is concerned with the routine operation of the activity and its support functions. The XO is often, therefore, more closely involved with public works matters than is the CO, and assists the PWD by providing information on Command desires and priorities.

c. Supply Department

The PWD is the Supply Department's biggest customer--both in volume and diversity of items procured. Virtually all of the PWD material procurement is performed by the Supply Department, based on procurement requests prepared by the PWD. Also, the Supply Department operates a shops store in which are stocked high usage items and those items which must be available for emergency repairs.

Occasionally there may be some question concerning whether a certain contract should be awarded by the Supply Officer or by the PWO/OICC. The OICC, acting under contract authority granted by NAVFAC, is responsible for contracting for the design, planning, development, procurement, construction, alteration, repair and maintenance of public works and public utilities at shore facilities; and for procurement of construction, transportation, and weight-handling equipment. The Supply Officer is responsible for procurement of standard commercial materials, equipment and services. More definitive guidance is provided in the NAVFAC contracting manual P-68, and in the Navy Procurement Directives.

Probably the biggest source of the friction which may develop between the Supply and Public Works Departments is the tendency of PWD personnel to absolve themselves of responsibility for material between the time a request is submitted and when the material arrives. There is a responsibility on the part of the PWD to follow through and check on the status of outstanding materials. The PWD as a principal customer of Supply should consider having a single point within the organization to keep a record of, and periodically check the status of requisitions for materials.

A second point of friction between the departments involves stocking of items in the shops store. The quantity and type of material stocked in a shop store are a function of usage or turnover. In addition, the shops store can stock one-time or emergency items if they

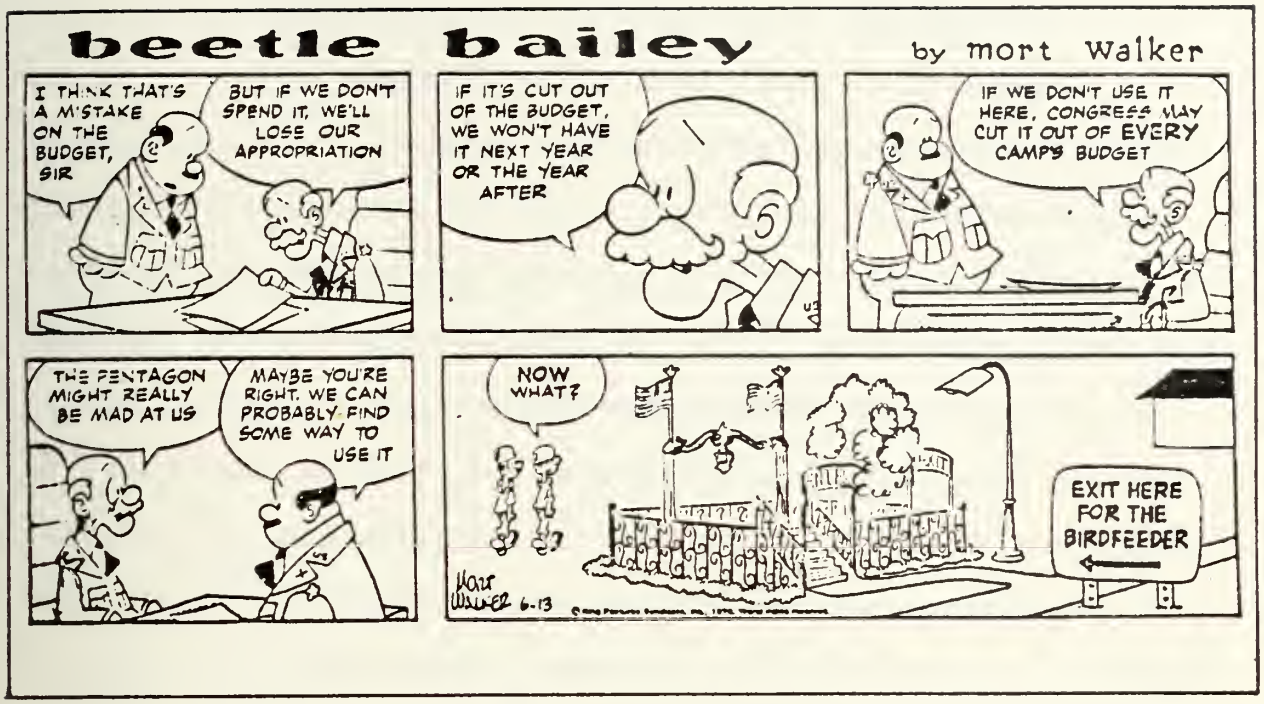
are justified. To establish and maintain appropriate stocking levels, the Supply Department shops store supervisor must be kept informed about new requirements, inadequacies, and quality of stocks carried in inventory.

It is of paramount importance that the PWD personnel responsible for ordering material be well versed in supply procedures, stock catalogs, etc., so that they can function effectively and thereby help to maintain a viable relationship between the departments [CECOS, 1979].

d. Comptroller

The Commanding Officer is provided appropriated funds for the purpose of supporting the activity mission, and is legally bound to spend the funds in the amount and for the purpose that they were allocated. The Comptroller, or Fiscal Officer, is responsible to the CO for preparing annual budget submissions, monitoring the expenditure of funds, accounting for expenditures, preparing reports, and generally looking after the CO's financial interests.

As one of the major spenders of activity funds for material procurement, utilities purchases, and civilian personnel wages, the PWD must maintain close liaison with the Comptroller's staff. Usually the PWD maintains informal records of funds expended, but the Comptroller keeps the official records of the activity (or coordinates with the Authorized Accounting Activity). It is essential that the PWD be cognizant of the status of funds so that allocated funds are not overspent, and at the same time so that available funds are not left unspent.



Many of the PWD functional areas are controlled by directives which require periodic financial reports. Such reports are prepared by the Comptroller following NAVCOMPT procedures and based on work unit data provided by the PWD. Prompt compilation of the input data from the PWD records facilitates timely submittal of the fiscal reports to higher authority.

The other principal area of coordination between the PWD and the Comptroller is in the preparation of the annual budget input. The Comptroller relies on the PWD for accurate work unit and consumption data for budgeting. It is in the best interest of the PWD to keep the Comptroller advised of all current or forecast funding needs so that adequate resources can be identified and made available.

e. Administrative and Personnel Departments

The Administrative Department is generally responsible for screening and coordinating incoming and outgoing correspondence for the activity, and for maintaining files of directives and official records. Due to the fact that the PWD prepares or provides input to a large percentage of the activity's correspondence, the PWD Administrative Division must be aware of Command clerical policies and procedures. As the officer closest to the CO and XO, the Admin Officer may staff facilities matters for the Command by inputting new requirements, checking status of work or finding various answers for the CO or XO. The Admin Officer may also serve the PWO as a good sounding board on matters of command policy.

The Military Personnel Office, in addition to providing service to the PWD military personnel, works with the Family Housing Division by providing information on pending moves and other military personnel actions. Also, the Admin or Military Personnel Offices may assist the PWD in administration of the annual Family Housing Survey.

f. Medical Department

The Medical Department assists the PWD in transportation management and utilities management, in addition to providing medical support to the Department.

In the transportation area, the Medical Officer is responsible to the Bureau of Medicine and Surgery for overall management of ambulances and other specialized medical

vans and equipment. The Medical Officer relies on the PWD for maintenance of vehicles, but decisions as to vehicle assignment, utilization and replacement are matters between the Medical Officer and the District Medical Officer. In the utilities area, Medical Department personnel inspect and test the potable water supply for bacterial level.

The Medical Department provides emergency medical treatment to PWD personnel, and may provide other services such as fitness for work examinations. The two departments may also coordinate in occupational health and safety matters.

g. Mutual Assistance

Important relationships not found on the activity organization chart are often established between the PWD and other departments. The PWD can often obtain valuable assistance in specialized areas from other departments on either a formal or informal basis, rather than perform the function inefficiently in-house or enter into an expensive contract. Mission support functions which manufacture, repair or maintain operating equipment or facilities may be available to assist the PWD. For example, the Supply Department may pack and crate PWD equipment for shipment, the Aircraft Maintenance Department may machine repair parts or the Communications Department may help to repair PWD industrial radios. Of course, these departments will expect reciprocal assistance from the PWD!

h. The Customer

Each customer of the PWD expects prompt service, and assumes that it is the highest priority customer that the PWD has! It is incumbent upon the PWD not only to provide the best possible service to all customers, but also to explain to the customers the workload and the basis for assigning priorities for work assignment.

The PWD customer, whether a tenant activity, department, or family housing resident, can assist the PWD in many ways to provide adequate and timely services. In the area of maintenance management, the customer must take an active role in generating work through the work request or trouble call. The customer can also assist maintenance forces by making work areas available to them, arranging physical security, and establishing reasonable priorities. The customer is responsible for accepting maintenance work from Public Works and should make sure that any dissatisfaction is brought to the attention of the PWD managers. A customer should have specific persons authorized to generate and sign work requests, and should have a single designated point of contact for liaison with the PWD [CECOS, 1979].

In the areas of transportation and utilities management, the primary customer responsibilities are centered around utilization and conservation. More specifically, the holder of transportation Class "B" assigned vehicles is responsible for achieving a certain predetermined mileage each quarter, and for reporting mileage to the PWD each quarter.

The utilities customers are responsible for implementing prudent conservation practices. In addition, there may be a formal energy conservation committee consisting of PWD personnel and customers, whose job is to effect utilities cost reductions by identifying and eliminating waste in utility services [CECOS, 1979].

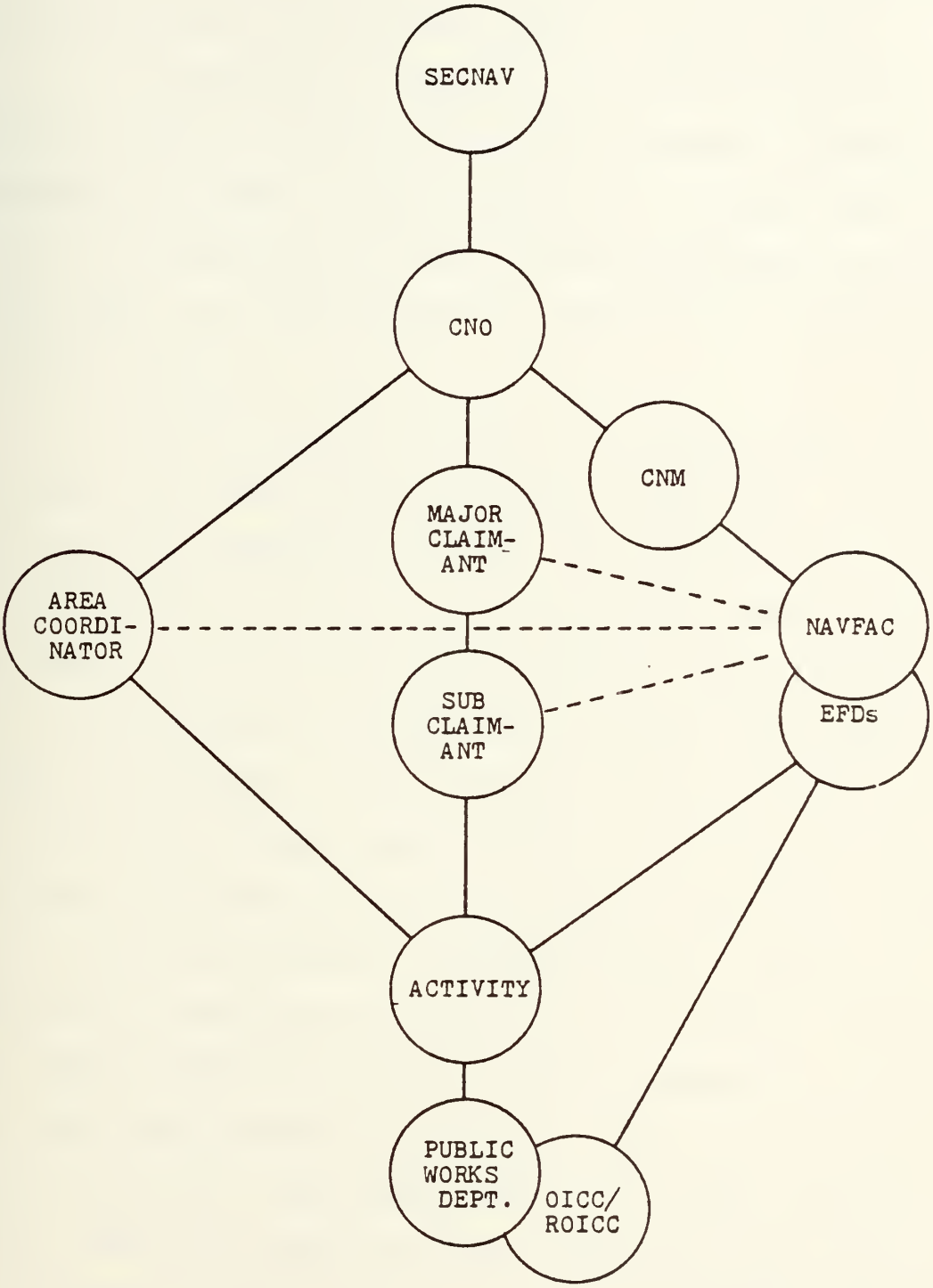
D. SUPPORT FOR THE PUBLIC WORKS DEPARTMENT

1. Introduction

The Public Works Department has a wide variety of functions and responsibilities, and in carrying out its duties, acts under guidance provided from several separate chains of command. As depicted on figure I-11, the activity PWD has three lines of authority to the Chief of Naval Operations: NAVFAC, the Major Claimant and the Area Coordinator. The purpose of this section is to discuss the relationship between the PWD and each of these three areas, and to describe the support provided to the PWD by the organizations in each chain.

2. NAVFAC

a. Naval Facilities Engineering Command (NAVFAC), one of the system' commands which report to the Chief of Naval Material, is responsible for and authorized to perform the design, planning, development, procurement, construction, alteration, repair and maintenance at shore activities of the Naval establishment for public works and public utilities; and to procure construction, transportation and weight-handling equipment. The Command exercises technical control in



CHAINS OF COMMAND FOR FACILITIES MATTERS

Figure I-11

connection with alteration, repair and maintenance of public works and public utilities, and establishes operating standards and procedures pertaining thereto [NAVFAC P-68].

Specifically related to the PWD maintenance function, NAVFAC provides advice and assistance regarding maintenance of public works, establishes standards and procedures for administrative and technical functions, provides professional and technical advice, and performs specialized technical services.

NAVFAC's role is one of providing advice and assistance; but this has not always been the case. During the 1950s each independent bureau and office pursued facilities maintenance according to its own habits and customs; there was no central coordinated program. Based in part upon the deteriorated condition of the Naval shore facilities, in 1963 the Secretary of the Navy designated the Bureau of Yards and Docks (former name of NAVFAC) as the single executive for the maintenance of real property with full responsibility for the program, including funding. Having the advantage of a Navy-wide viewpoint of real property maintenance needs, NAVFAC was able to develop procedures to allocate funds where most needed; as a result, the further deterioration of facilities was stopped during the single executive period. With the advent of Project PRIME in 1967, CNO assumed the functions of the single executive, with NAVFAC providing expert advice and assistance in facility matters. Funding and

management now follow the same lines as command; funds are provided in a single operations and maintenance budget.

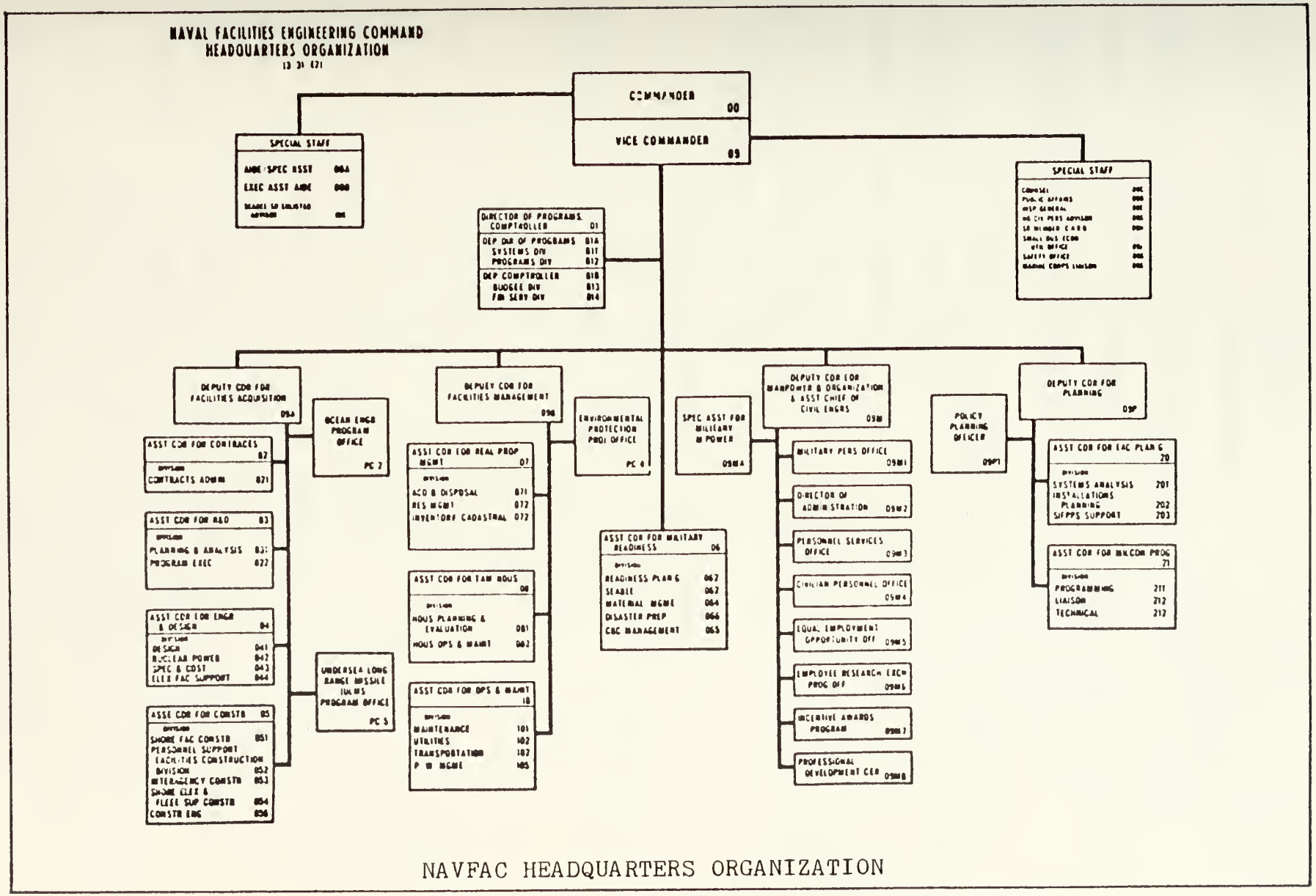
As noted earlier, NAVFAC provides administrative and technical guidance for each of the functions of the PWD, and its organization for management is structured to correspond with PWD functional areas such as housing, transportation, etc. [refer to Headquarters Organization Chart, figure I-12]. Inasmuch as the PWD receives extensive support from a variety of NAVFAC component organizations, some of these organizations are discussed below.

b. Engineering Field Divisions

The Engineering Field Divisions (EFD) support the Naval activities within a specific geographic area. They represent NAVFAC in the provisions of technical support and system implementation; in the design, construction, operation, maintenance and repair of public works and public utilities; and in the procurement, maintenance and operation of weight-handling, construction and transportation equipment [NAVFAC P-68]. The EFDs are tasked to respond to the request of the CO or PWO for assistance in facilities engineering or management problems.

There are six EFDs:

EFD	Location	Area
Pacific Division	Honolulu, HI	14th Naval District, and Pacific Ocean area
Atlantic Division	Norfolk, VA	5th Naval District, Atlantic and Caribbean Areas, Europe



NAVFAC HEADQUARTERS ORGANIZATION

Figure I-12

EFD	Location	Area
Northern Division	Philadelphia, PA	1st, 3rd, 4th, 9th Naval Districts
Southern Division	Charleston, S.C.	6th and 8th Naval Districts
Western Division	San Bruno, CA	11th, 12th and 13th Naval Districts
Chesapeake Division	Washington, D.C.	Naval District Washington

The EFDs are directed by a CEC Rear Admiral as Commander, or a CEC Captain as Commanding Officer; the staffs include a small number of CEC officers in key management positions, and several hundred civilian engineers, technicians and administrative personnel. The EFD is the primary source of help for the local PWD.

c. Housing Management Centers (HMC)

The HMC is a component of the EFD established to administer the Navy family housing program. The EFDs have total responsibility for the housing program, including routine fund management for all activities within their geographic areas; thus this is one exception to the strictly advisory role of the EFD. The housing program is a Department of Defense program; CNO has cut through traditional chains of command by establishing Housing Management Centers at EFDs through which NAVFAC can administer the housing program. The activity Commanding Officer has a separate budget and chain of command with regard to the family housing program

d. Transportation Equipment Management Centers (TEMC)

Another area where the role of the EFD is more than advisory is transportation equipment management.

TEMCs have been established at some of the EFDs to advise the Major Claimants on the management of all transportation equipment within NAVFAC's area of responsibility. Most of the direction received from the TEMC is in the name of the Major Claimant; however, the activity PWD personnel frequently coordinate administrative and technical matters directly with the TEMC. The Major Claimant controls the allowance of equipment, but the activity is responsible for operation and maintenance of the equipment.

e. Resident Officer in Charge of Construction (ROICC)

The PWO may have additional duty orders to the EFD as Officer in Charge of Construction (OICC) for limited or informal contracts and as ROICC for larger contracts. The OICC/ROICC has a separate chain of command through the EFD, a separate staff, separate manuals and directives, and separate procedures--in short--a whole different job.

Commanders/Commanding Officers of the six EFDs are designated as OICCs and have authority to award most NAVFAC contracts without prior approval of NAVFAC Headquarters. Contractural authority is further delegated to certain CEC officers to act as OICC for some contracts within their geographic area of responsibility. When this authority has been so delegated, the appointee has the full authority and responsibility for the contracts which are assigned. When acting in a contractural capacity, the OICC derives contract authority, not from the activity Commanding Officer, but from the Contracting Officer. The responsibilities of the OICC

are extensive and include everything from advertising the contract to preparation of final payment vouchers and release of the contractor from liability [CECOS, 1979].

Contracts which exceed the award authority of the local OICC/PWO are awarded by the EFD. In this case, the PWO may then be designated as ROICC if there is not another CEC officer in the area specifically assigned to duty as ROICC. The ROICC is responsible to the EFD for local administration of the contract, including assuring that work is completed in accordance with plans and specifications. On a case-by-case basis, one-time authority may be granted to the PWO/OICC by the Commander/Commanding Officer of the EFD to award a contract of dollar value in excess of normal award authority. Such authorization would be considered if local administration would be clearly advantageous to the Navy, and if the local PWD staff has the experience and manpower to prepare the plans and specifications and assure quality of performance.

An interesting relationship exists: the activity is the customer for whom the OICC is constructing a facility or providing a service; if a separate OICC/ROICC is assigned the contract the PWO represents the activity and the ROICC represents the Contracting Officer. However, if the PWO is also the OICC/ROICC, the incumbent is in the unique position of being both the provider and the customer!

Whichever PWO/ROICC arrangement exists, the PWD is the organization which will accept and maintain the new or repaired facility provided by the OICC organization.

During the contract design stage, the PWD must review the design carefully in order to identify possible site interference or maintenance problems, or requirements for additional maintenance personnel, equipment or funds. During the progress of work the PWD may be required to coordinate utility connections by the contractor. During the final stages of work and during the project turnover, PWD engineers and shop personnel should become familiar with the new facility which they will soon be required to maintain. Also, the ROICC must ensure that both contractor and PWD understand the terms of any contract warranties which apply to equipment or work.

f. Navy Environmental Support Office (NESO)

Located at the Naval Construction Battalion Center (CBC), Port Hueneme, California, NESO is the central coordinating office for the Naval Environmental Protection Support Service (NEPSS). Regional Environmental Support Offices are located at each EFD; NAVFAC is the NEPSS program director. NEPSS supports activity COs in meeting their environmental responsibilities and goals by providing a source of information and assistance on pollution, pollution sources, and local and national environmental rules and regulations.

g. Civil Engineer Support Office (CESO)

Also located at CBC, Port Hueneme, CESO is involved in PWD activities as the procurement agent for most of the Navy's transportation equipment, and as a provider of assistance on transportation equipment operation and

maintenance problems. CESO is also responsible for the development and implementation of the management information systems used by activity PWDs.

h. Civil Engineering Laboratory (CEL)

CEL is a NAVFAC organization, the mission of which is to be the principal RDT&E center for shore facilities, ocean facilities, and the Navy and Marine Corps construction forces. The lab is available to the activity PWD to provide assistance in solving technical maintenance or repair problems, on either a formal or informal basis.

i. Facilities Systems Office (FACSO)

A NAVFAC organization located at CBC, Port Hueneme, FACSO is the central automatic data processing center for NAVFAC's Navy Facilities System (NFS), the single ADP system sponsored by NAVFAC. Comprised of fourteen interfacing automated information systems, the NFS is concerned with the requirements, acquisition and utilization processes as related to real property, utilities and civil engineering support. Processing of records, such as the activity Real Property Inventory, is accomplished at FACSO.

j. Other PWDs

A valuable source of assistance to Public Works Departments are the PWDs or facility maintenance departments of nearby Naval or other service activities. This form of assistance is especially useful to the small PWD which may have limited personnel and equipment. For example, the PWD at a small Naval activity in Puerto Rico was able to develop

good working relationships with other Naval activities on the island, and with a small Army base. As a result, the activity saved several thousand dollars by obtaining a new swimming pool filter system that was excess to the needs of another activity; reduced the duration of operations down-time by borrowing a portable generator when a power cable failed; and improved pest control operations by borrowing a sprayer in return for the loan of a tank trailer to the Army base.

The PWOs of the smaller activities also have personal assistance available in the form of the CEC officers at nearby activities. Frequent communication between PWOs serves not only as a means to resolve local problems, but also to discuss mutual concerns and area policies.

3. Major Claimant

The Major Claimant (fleet commands, Chief of Naval Education and Training, Commander Naval Security Group, etc.) are the operational link between the CNO and the activities. In order to meet their responsibilities for coordination of public works matters at activities under their control, the Major Claimants are assigned CEC officers in Staff Civil Engineer or Facilities Management billets. The function of these staffs is to coordinate facility management policy for the Command, administer the Command shore facilities planning and programming function, allocate transportation equipment resources, validate public works funding requests, allocate Special Projects funds, and other duties as assigned.

The PWD communicates with the facility management staff regularly concerning these matters. The Headquarters staff issues instructions implementing NAVFAC and CNO directives and addressing maintenance topics peculiar to that Major Claimant. The PWO must keep the Major Claimant staff appraised of funding and Special Project needs, and of significant maintenance problems which may impact upon the mission of the activity.

With respect to facility matters, the Commanding Officer has specific limitations imposed by the operational chain of command. It is the duty of the PWO to know the limitations placed on local authority in each functional area and to advise the CO of these limitations as appropriate. This means that the PWO must execute the unpleasant but vital task of telling the command what it is prohibited from doing [CECOS, 1979].

4. Area Coordinator

Navy directives provide for CNO to have an overview of shore activities from a geographic standpoint as well as from a functional standpoint to ensure that within each area there is a coordinated shore establishment to provide support to the fleet. This ensures that there is an even distribution of effort on the part of the shore establishment within an area, and that overlapping of functions, conflicts of policies or regulations, or other coordination problems do not arise. Some obvious areas that this responsibility covers are establishing the uniform of the day for a Naval District and

ensuring sound disaster control planning. In the facilities management area, the coordination of shore facilities planning and programming and serving as the central figure in community relations fall into the Area Coordinator's sphere of responsibilities [CECOS, 1979]. A very important responsibility of the Area Coordinator is the area of family housing management. The Area Coordinator coordinates housing requirements planning through the annual housing survey, and coordinates housing assignment practices.

E. THE PUBLIC WORKS DEPARTMENT AND THE COMMUNITY

Naval activities are a part of the local civilian community; the actions of the activity have an impact upon that community. Formerly, military activities tended to isolate themselves from the community and from the legal control of the community; the activity fence was a barrier. However, that attitude is slowly being changed as the courts determine that in many areas the military is subject to the state and local statutes which regulate business and industry. Pollution laws, building codes, nuisance laws, traffic regulations, planning ordinances and civil law all impact on the activity and on the PWD in particular. A major change has taken place in the environmental field where formerly the Navy was subject only to federal laws and permit requirements. Recent court rulings have held that Naval activities are subject to state laws, and legal action has been initiated against Commanding Officers for violations of state pollution laws.

The PWO must be aware of local and state laws, and must be sensitive to changes which might affect the activity. The activity Legal Officer is a good source of advice concerning local laws and military regulations. Because environmental laws are complex, are issued by a variety of jurisdictions and may be subject to change, specialized legal advice may be required in that field. The Regional Environmental Support Offices at the EFDs are available to activity PWOs to provide this advice, as is the Navy Environmental Support Office at Port Hueneme.

Encroachment is another important area of community relations. Almost every activity has potential or existing encroachment problems, which may be a necessary by-product of the activity mission and function. The solution to this type of problem is a two-pronged one of first establishing and maintaining a dialogue with the community, discussing the reasons why certain things are as they are, and emphasizing the positive aspects of the military presence in the community; and second, keeping the community informed of future plans for the base and inviting comments before the fact. Such participation should include various civic organizations, ranging from the Chamber of Commerce to the PTA; community officials, such as the mayor, city council, and planning agency; as well as the agencies which exercise direct authority over the Navy, such as local pollution control agencies. The PWO should, with the knowledge of the CO, actively participate in community affairs, and tell the Navy side of

"We must consider the health of the community, we must consider our image and we must consider the fine of $25,000 a day."

(Weber, 1979)

various present and planned actions which might elicit community reaction.

Consideration of the impact of social and economic factors is also a required part of environmental impact assessments and statements during the concept stage of major projects.

The Public Works Officer can also be instrumental in taking positive actions to improve relations with the civilian community. One common means of doing this is to invite the local Boy and Girl Scout troops to use vacant Navy lands for weekend camping trips or other outdoor activities. The PWO can be a personal representative of the Navy and of the Command through involvement with local chapters of civic and

professional societies. Sponsoring an organization's meeting on-base, or giving a presentation before a meeting are excellent opportunities to "spread the word."

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CHAPTER II

THE PUBLIC WORKS CENTER

A. ORGANIZATION AND FUNCTIONS---------- 65

1. Mission---------- 65

2. History---------- 66

3. Locations---------- 68

4. Organization---------- 68

5. Responsibilities---------- 70

a. Commanding Officer---------- 70

b. Planning Officer---------- 70

c. Facilities Engineering Division---------- 70

d. Contract Administration Division---------- 72

e. Production Officer---------- 72

f. Production Control Office---------- 72

g. Service Department---------- 72

h. Maintenance Department---------- 73

i. Utilities Department---------- 73

j. Transportation Department---------- 73

k. Activity Civil Engineer---------- 74

l. Staff Civil Engineer---------- 75

6. Advantages and Disadvantages---------- 76

B. WORK ACCOMPLISHMENT---------- 77

1. Introduction---------- 77

2. Production Management System---------- 78

3. Workflow---------- 78

a. Types of Work---------- 78
b. Procedures---------- 80
c. Job Numbering---------- 83
4. Data Processing---------- 84
a. Introduction---------- 84
b. Present PWC/MIS---------- 85
c. PWC/MIS Improvements---------- 87
C. NAVY INDUSTRIAL FUND---------- 87
1. Financial Concept---------- 87
2. Scope---------- 89
3. History---------- 90
4. Working Capital Funds---------- 94
a. Theory---------- 94
b. Advantages---------- 95
c. Objectives---------- 96
d. DOD Industrial Funds---------- 96
5. Operations---------- 97
a. Principles---------- 97
b. Responsibilities---------- 99
c. Operating Cycle---------- 100
d. Control---------- 102
e. Budgeting---------- 103
f. Cost Accounting---------- 109
g. Financial Analysis---------- 117
h. Billing and Collection---------- 117
i. Reports---------- 119
D. RATE STABILIZATION---------- 122

1. The Problem---------- 122

2. The Process---------- 125

3. Advantages---------- 128

4. Disadvantages---------- 129

E. MODIFIED NIF ACTIVITIES---------- 131

APPENDIX A: OPNAVNOTE 5450---------- 133

APPENDIX B: Four Magazine Articles Concerning Role of ACE/SCE---------- 138

BIBLIOGRAPHY FOR CHAPTER II---------- 145

II. THE PUBLIC WORKS CENTER

A. ORGANIZATION AND FUNCTIONS

1. Mission

The Public Works Department is responsible for all facilities management functions at a Naval activity. Where several activities are located in close proximity, one activity may be designated as a Public Works Lead Activity (PWLA) to provide facilities management services to all activities in that area. The PWLA remains a component of one of the activities. However, where a larger number of major activities are concentrated in one area, a Public Works Center (PWC) may be established as a separate activity under the command of the Naval Facilities Engineering Command. The minimum criteria for establishment of a PWC are: three or more customer commands, at least 1,000 civilian employees and a total annual budget of $30 million.

The PWC provides to its customers the same types of services as those provided by the PWD--facilities maintenance, utilities, and transportation services--at the request of the customer commands. This chapter will not discuss the functions included in these services in detail because they have been discussed in the Public Works Department chapter.

The mission of the PWCs, as stated in NAVFAC Instruction 5450.82 is ". . . to provide public works, public utilities, public housing, transportation support, engineering

services, shore facilities planning support, and all other logistic support of a public works nature incident thereto, required by the operating forces, dependent activities, and other commands served by the PWC." Except for facilities planning, family housing, inspection services, and some engineering services, these functions are provided on a reimbursible basis. Commanding Officers of customer activities retain financial responsibility for public works matters; PWCs are not tasked to provide financial management support. However, it has been NAVFAC policy to encourage PWC personnel to become involved in the facilities management budget process of customer commands.

2. History [Crumbley and Gagen, 1976]

After World War II it became apparent to the Bureau of Yards and Docks (BUDOCKS, predecessor of NAVFAC), that the Navy had to reduce its wartime facilities to a peacetime scale. In 1948 the Navy began to consolidate redundant support services in order to reduce capital expenses, and lower operating and maintenance costs. As part of the consolidation effort, the Secretary of the Navy (SECNAV) on 15 June 1948 established the first Public Works Center at Naval Base, Norfolk, Virginia, under the command of BUDOCKS, to provide public works type support to activities of the Norfolk area.

Initially, not every activity in the Norfolk area was required to use the PWC. This policy existed until 1960, when SECNAV endorsed the PWC concept by directing the integration of public works services at the six PWCs which had been

established by that time.[1] The PWC concept produced a major change in Navy public works operations--activities still budgeted for public works funds, but the new policy required them to purchase their public works support from PWCs. Before this policy was implemented, each activity had had its own public works department with its own personnel under local control; but under the new system the public works effort was consolidated under a separate command--the PWC.

The establishment of PWCs under the command of BUDOCKS changed that organization's role in facility maintenance management from one of advisor to one of active participant. BUDOCKS' link with public works support was further strengthened in 1962, when it was designated as the single executive for management of all maintenance and utilities operations throughout the Naval shore establishment. BUDOCKS had maintained that funds allocated for maintenance and utilities operations in the past had not always been spent for those functions, and that this had led to deterioration of the physical condition of facilities. BUDOCKS was placed in a position to improve the situation by instituting a uniform facilities maintenance program throughout the Navy. BUDOCKS developed public works programs and administered public works funding through Naval District Public Works Offices (DPWOs, now known as Engineering Field Divisions, EFDs).

---

[1]The question of whether all commands in an area must utilize the PWC for public works support is still a current topic at some PWCs. Some commands have chosen to perform some PW functions in-house or under contracts awarded by the Supply Officer.

However, BUDOCKS' role changed again in 1967, when under the unilinear Navy concept, command and support were merged. CNO became the single executive for facilities management, and the responsibility for facilities management funding was reassigned to the Major Claimants. The impact of this change upon NAVFAC, as well as Navy facilities management, was significant because it no longer controlled maintenance funds; it was now limited to providing advice and assistance to Major Claimants and local commands.

3. Locations

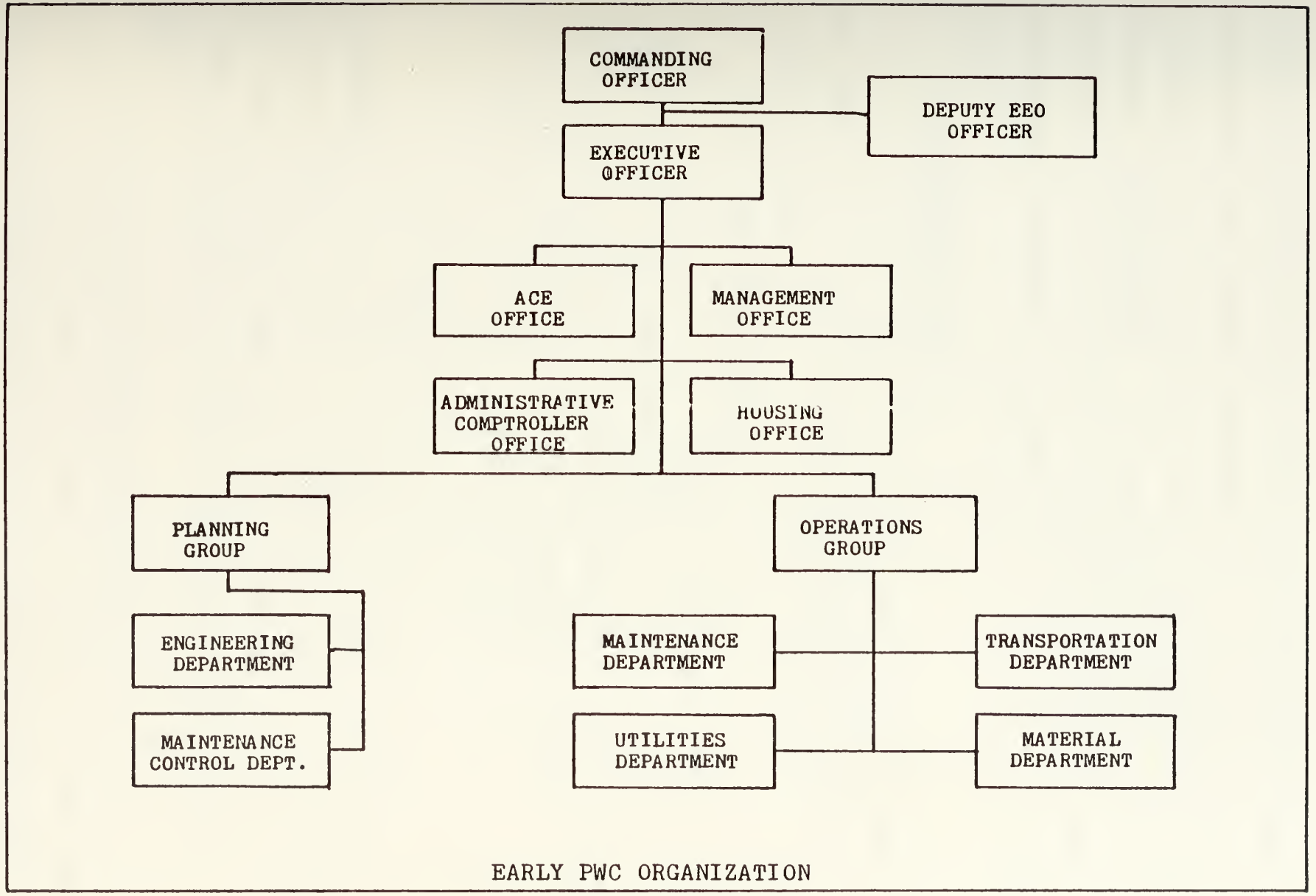
Public Works Centers are shore activities of the Naval Facilities Engineering Command; the chain of command is via the geographic Engineering Field Division.

There are nine PWCs, located at:

San Diego, California
Norfolk, Virginia
Pensacola, Florida
Great Lakes, Illinois
Oakland, California
Pearl Harbor, Hawaii
Guam
Subic Bay, Philippines
Yokosuka, Japan

4. Organization

NAVFAC and the PWC commanding officers recognized that limited maintenance resources and rapidly escalating costs necessitated more efficient management of PWCs. Toward this end, a standard PWC organization was developed in 1965 [Figure II-1]. This organization provided for clearly defined functional responsibilities split between two groups--planning and operations. The Planning Officer was responsible for



EARLY PWC ORGANIZATION

Figure II-1

completion of the job plan; and the Operations Officer was responsible for material procurement and job accomplishment [Sullivan, 1977]. In the late 1970s, a new organization was designed and implemented. This new organization is shown in Figure II-2. The key organizational change is that a single department--Production--is responsible for all phases of shop work.

5. Responsibilities

It is noted that the title of organizational components and the exact responsibilities of each may vary from center to center.

a. Commanding Officer

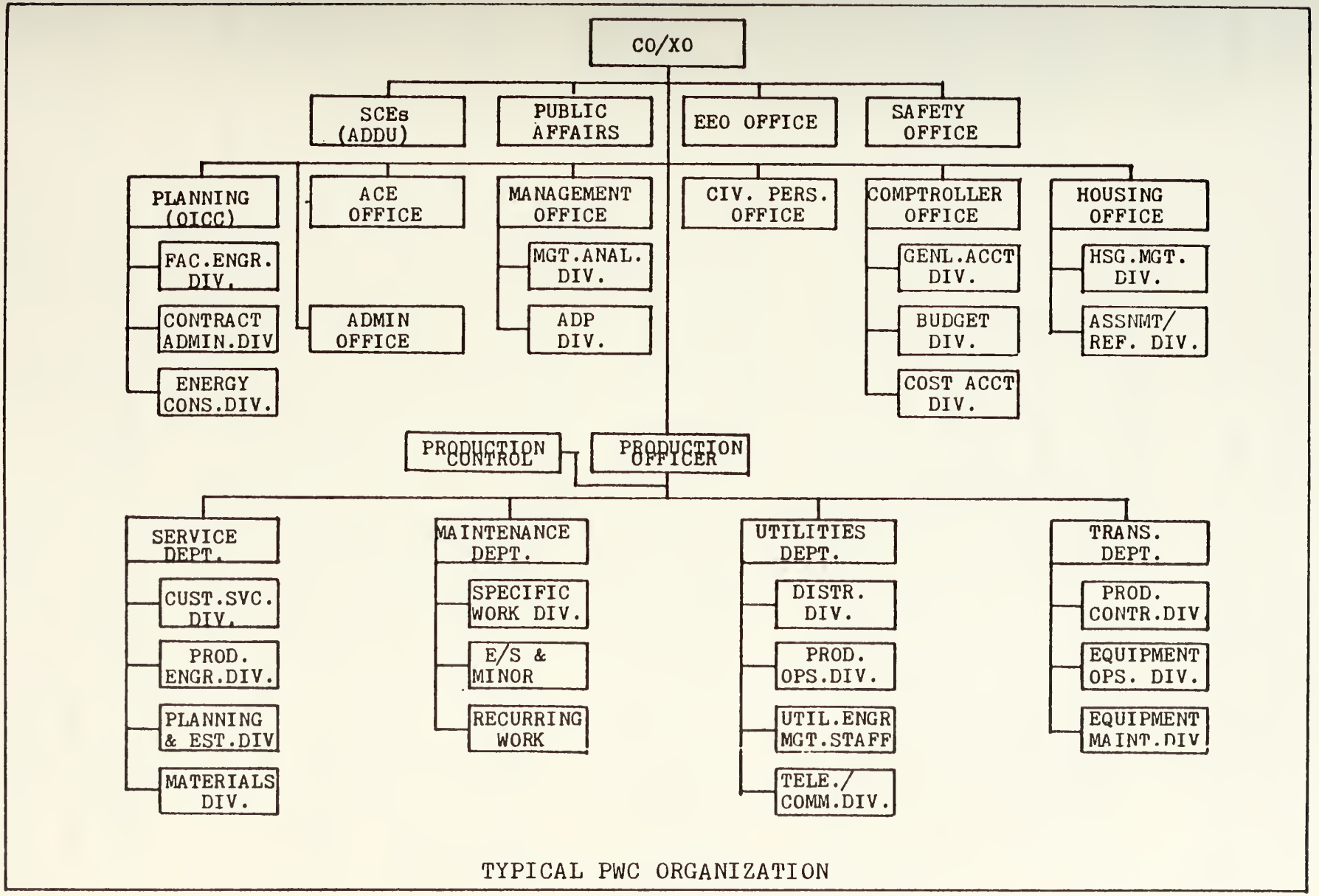
The Commanding Officers of PWCs are normally Civil Engineer Corps Captains. The CO is responsible for all matters pertaining to the PWC; he generally assumes the role of "Mr. Outside" and leaves to the Executive Officer the details of day-to-day operation of the PWC.

b. Planning Officer

The Planning Officer is a CEC officer who is responsible for facilities planning, facilities engineering, contract administration, and energy conservation programming. The Planning Officer may also be designated as Officer in Charge of Construction for NAVFAC contracts awarded by the PWC.

c. Facilities Engineering Division

The Facilities Engineering Division is responsible for all engineering work not in direct support of shop work.



TYPICAL PWC ORGANIZATION

Figure II-2

The Division completes engineering studies, planning documentation, project designs, contract drawings, field surveys and tests, etc.

d. Contract Administration Division

This Division is responsible for preparation of contract documents, contract administration and inspection for all construction and maintenance service contracts awarded by the PWC. The magnitude of the responsibility of this Division is indicated by the fact that NAVFAC established the goal of contracting 30 percent of the PWC's maintenance work.

e. Production Officer

The Production Officer is responsible for planning, administering, coordinating and directing the functions of the production departments.

f. Production Control Office

The Production Control Office is the nerve center of the PWC and the key point of customer contact. This office receives the initial customer work requests, logs the requests and channels them to the correct division; maintains the status of the request as it moves through the PWC divisions; insures that the work documentation is processed properly; and provides status of work to customers.

g. Service Department

The Service Department is responsible for work acceptance, production engineering, job cost estimating and planning, and material support. A Customer Services Division

may screen incoming jobs, prepare scoping and fundable estimates and issue emergency/service and minor work authorizations.

The Production Engineering Division performs the engineering and design work required in support of shop work.

The Planning and Estimating Division prepares detailed plans and estimates for the job plans required in support of specific and recurring work.

The Material Division requisitions and maintains the status of material and equipment required for PWC operations.

h. Maintenance Department

The Maintenance Department accomplishes maintenance, repair and alteration of buildings and other structures such as piers and wharves; maintenance and repair of roads, airfield pavement and grounds; trash and garbage disposal; janitorial service for buildings; and street sweeping; etc.

i. Utilities Department

The Utilities Department is responsible for distribution and, in some cases, generation of electricity, gas, water, steam and compressed air, etc.

j. Transportation Department

The Transportation Department provides vehicles for all support requirements including passenger sedans, trucks, buses, railroad services, crane service, security and medical vehicles. Both maintenance and operating services are provided.

k. Activity Civil Engineer [Crumbley and Gagen, 1976]

OPNAV Notice 5450 of 16 October 1969, provided as Appendix A, defines Activity Civil Engineer (ACE) responsibilities.[2] As a member of the PWC staff, the ACE is normally assigned as the primary PWC representative to a specific group of customer commands. The ACE's responsibility is to look after the public works needs of customer commands, insure that the PWC understands the needs of its customers, and insure that the customers are aware of PWC capabilities and limitations. The senior ACE is the focal point in the PWC for customer relations and is the chief customer advocate.

In doing this job, an ACE may become involved in all facets of PWC operations--determination of customers' requirements, engineering design, job planning, cost estimating, work scheduling, job accomplishment, final approval and acceptance of the services provided.[3] In addition, the ACE may become involved in internal customer facilities matters which are related to public works management. At best, the ACE may participate in the decision-making process as an integral part of the organization, or act as a public works

[2]Although the OPNAVNOTE expired for record purposes 31 December 1969, it is apparently the only document which promulgates ACE and SCE functions.

[3]There are differing opinions on the role of the ACE within the PWCs. The opposite stand is that the ACE should not become involved with internal workings of the PWC because a complex management system has been provided to control work once it has entered the PWC system. The role of the ACE and SCE are active topics of discussion within NAVFAC and the CEC community in general. Three articles from the Navy Civil Engineer Magazine which discuss the ACE and SCE roles are included as Appendix B.

consultant; at worst, the ACE may be viewed as an outsider by the customer and do nothing more than take orders for work to be accomplished by the PWC.

1. Staff Civil Engineer [Crumbley and Gagen, 1976]

Staff Civil Engineer (SCE) responsibilities are also defined in OPNAV Notice 5450, Appendix A. The ACE is assigned to the PWC; however, a CEC officer may be assigned as SCE to an activity which is a major customer of the PWC. An ACE and an SCE would not be assigned to support the same activity. The SCE has primary duty to the activity and normally has additional duty to the PWC. Although the SCE provides liaison between the activity and the PWC, he or she is responsible to the activity for providing total public works management. The SCE plans facilities management programs and manages resources to meet the command's mission and the CO's requirements.

In carrying out these responsibilities, an SCE becomes more involved in the operations of the activity than of the PWC. In fact, the SCE is the Public Works Officer of the activity--but a PWO without a Public Works Department![4] Being an integral part of the customer command, the SCE is sometimes viewed as an outsider by the PWC personnel; however, the SCE may work as closely with PWC personnel as does an ACE, and may interact also with all levels of the PWC organization.

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[4]However, the PWCs stress that they are indeed the customers' Public Works Departments.

THE STAFF CIVIL ENGINEER
(Weber, 1979)

ACEs and SCEs are both involved in public works matters at PWC customer commands, and form the primary communication link between the PWC and supported activities.

6. Advantages and Disadvantages

The fact that nine PWCs have been established at major Navy installations since dedication of the first one in 1948 indicates that they are here to stay. From the total Navy point of view as taken by NAVFAC, the PWCs are the most effective and efficient means of providing real property maintenance support to large, concentrated Naval installations.

Some of the advantages of the PWCs are:[5] the economy of scale allows the PWC to provide services at lower cost than can a PWD; the large size of the PWC and its large inventory of equipment make available to the smaller customers a wider range of equipment and labor skills; the break-even cost

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[5]The advantages and disadvantages presented herein are some of those commonly discussed. The purpose of this section is to serve as a starting point for discussion of experiences from the PWC or customer position.

operation of the PWC provides the incentive for it to operate efficiently and to control costs.

The primary disadvantages of the PWC are from the customer's point of view and center around the fact that the customer CO does not have direct control over the public works effort. The CO is responsible for his/her activity's facility condition and is provided funds for maintenance of the facilities but does not control performance of work. A further disadvantage may arise if the CO establishes a facilities management staff to oversee facilities matters and coordinate with the PWC, and if the staff violates NAVFAC policies due to lack of experience in the facilities management field.

B. WORK ACCOMPLISHMENT

1. Introduction

Navy industrially funded Public Works Centers are operated like private businesses. Each PWC has working capital in the form of a corpus, which is used to fund purchases of material and payment of wages incident to performance of work for customers. These direct charges are tabulated, overhead charges are computed, and the customer is charged for the work performed.

The PWCs can perform the work by contract, with PWC personnel and equipment, or with a combination of both. Contracting represents a major portion of the PWC's work, with about 30 percent of the dollar value of work being contracted.

The process of awarding contracts for construction or maintenance service is discussed in a separate chapter in this manual. The in-house process of performing work is based on the PWD maintenance management system, but has been modified to meet PWC needs.

2. Production Management System

PWCs operate under a formal Production Management System (PMS), which is the result of a total systems approach to management of the PWC. The PMS is based on production management systems and techniques developed in civilian industry, with the intent of improving management of resources and work accomplishment. Included in the PMS are the design of the PWC organization (Section A.4), the establishment of functional responsibilities (Section A.5), the establishment of an effective workflow process, implementation of efficient administrative and accounting procedures, and installation of automated data processing systems.

3. Workflow [Production Management System for PWCs, 1978]

a. Types of Work

(1) Emergency/Service (E/S). E/S work is maintenance or repair work which requires a minimal amount of planning or processing and can be accomplished within a short time frame. Emergency work requires immediate action to prevent loss or damage, restore essential services or eliminate hazards. Service work is minor in scope and requires 16 hours or less effort.

(2) Minor Work. Minor work consists of simple jobs requiring little control, and being larger than E/S but smaller than specific work. This work generally requires from 16 to 80 manhours, requires no engineering support, and is accomplished from funds placed on deposit with the PWC.

(3) Recurring Work. All work of a recurring nature, such as janitorial, snow removal, street sweeping, etc., is authorized by a recurring job order. These are funded by the customer each quarter, and are restricted only by the funds provided and by the general scope of work to be accomplished.

(4) Specific Work. Any job of a one-time (non-recurring) nature which exceeds the limits for either an E/S or minor job is considered to be a specific job. Specific jobs provide the greatest amount of control since each one is assigned a job number, and costs are accumulated on each job individually. Specific jobs may be of two kinds--cost reimbursible or fixed price.

Cost Reimbursible: When the scope of the job is known, but the price cannot be estimated accurately, a specific job is established and accepted by the PWC and the customer on a cost reimbursible basis. In these cases, the customer pays the actual cost of the job.

Fixed Price Agreements: Certain kinds of jobs can be so accurately estimated that the PWC and the customer accept the job on a fixed price basis. On these jobs, assuming that the job is funded before the estimate

has become outdated and that the scope of the job does not change, the customer pays the estimated price rather than the actual cost.

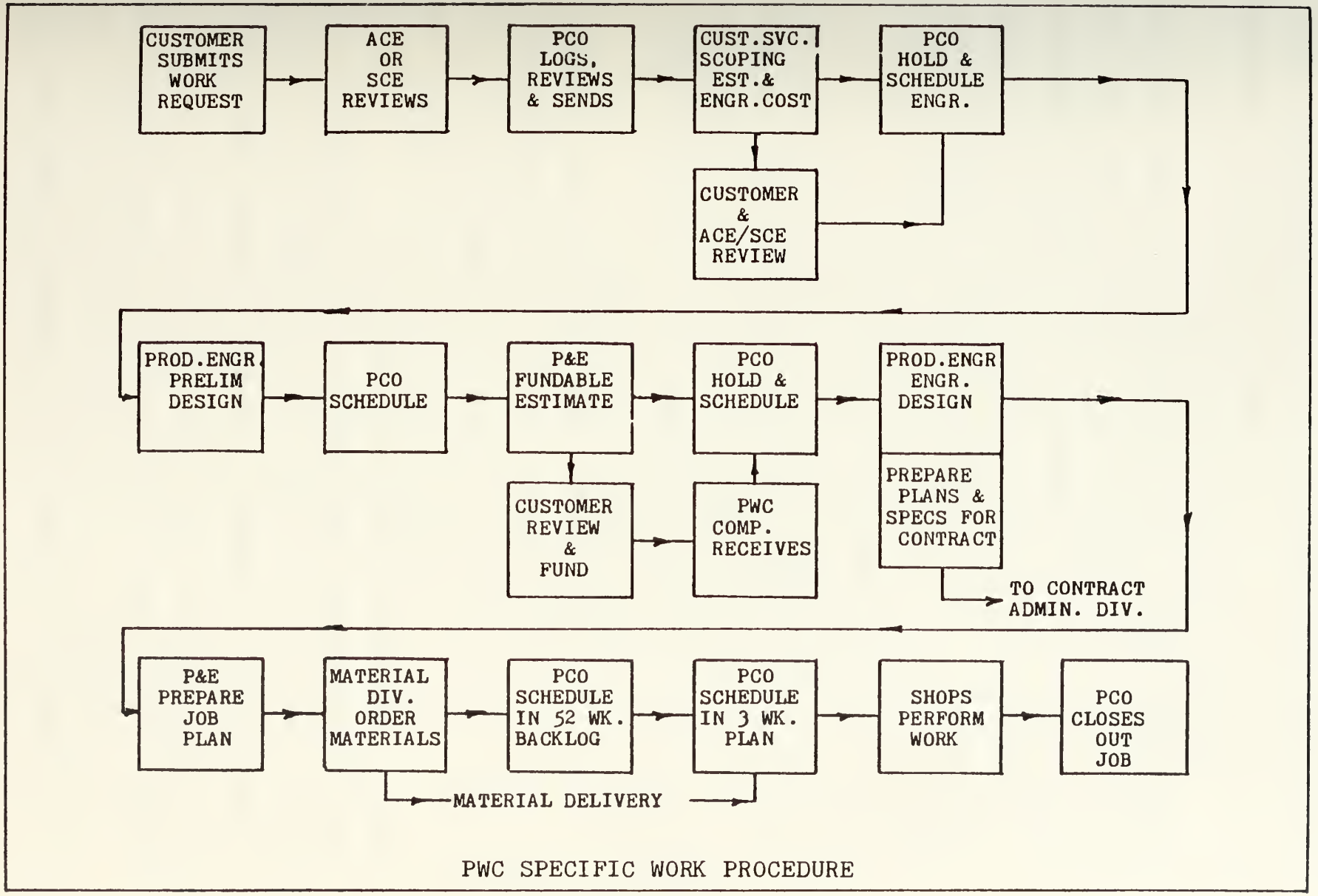
(5) Stand-Alone Contracts. Stand-alone contracts are for work which does not involve PWC shops at all. The contracts are administered by the Contract Administration Division.

b. Procedures

(1) Emergency/Service. E/S work is received by written or telephone request at the E/S Reception Desk, screened, assigned accounting data and a standard completion time, and forwarded to the E/S and Minor Work Division for accomplishment.

(2) Minor Work. The customer submits a request to Customer Services, where the request is reviewed and a Minor Work Order is prepared. If material is required, the work order is forwarded to the Material Division; then the work order is forwarded to Production Control for scheduling.

(3) Specific Work. The Specific Work procedure is shown in diagram form in Figure II-3. Work requests are prepared by the customer and forwarded to the PWC via the ACE or SCE who reviews the request for completeness and validity of the work. The request is received by the Production Control Office (PCO), which manages the programming of work through all of the steps in the process involving the Service and Production Departments. The PCO first logs the job into the PWC system, prepares the appropriate job



PWC SPECIFIC WORK PROCEDURE

Figure II-3

folder, and forwards the job to Customer Services for preparation of a scoping estimate.

If engineering is required, Customer Services prepares an engineering cost estimate and sends it with the scoping estimate to the customer; the job folder is returned to the PCO. The customer reviews the scoping estimate, which is a rough estimate of job costs, and if the work is desired, returns the request to PCO. If the engineering is desired, the funding authority is also forwarded.

Upon receipt of customer funding authorization, the PCO schedules the job for engineering; the job is placed in the engineering backlog. Production Engineering then prepares the preliminary design and returns the job folder to the PCO. PCO schedules the job for cost estimating.

Planning and Estimating develops a fundable estimate, which describes the scope of work the customer is buying and serves as a written agreement between customer and PWC. The job folder is returned to the PCO, which returns the estimate to the customer for funding.

The customer reviews the fundable estimate, and if the work is to be accomplished, returns the estimate package to the PWC comptroller along with a funding document. The funding information is then forwarded to the PCO which processes the data into the job folder. PCO then enters the job into the backlog file and schedules the job for engineering design in Production Engineering and preparation of a detailed plan in Planning and Estimating. If necessary,

Production Engineering prepares plans and specifications for contracts required to support the job work being performed by PWC shops.[6]

Planning and Estimating develops the job plan which is the complete job information package for the shops. The folder is sent to Material Division for ordering of material and equipment and then returned to the PCO pending receipt of material and completion of contract work.

The PCO then deletes the job from the planning backlog file and enters it into the production backlog file. Start and completion dates are provided, based on required completion date, job duration, material delivery, and contract award dates. The backlog file covers a 52-week period.

Upon receipt of material and/or notification of support contract award, short range (3 week) work schedules are prepared by PCO. Weekly task level work schedules are prepared and updated, based on daily shop performance feedback.

The work is accomplished and time is reported on time and labor cards. The shop supervisors certify job completion. The job is closed out, and the work progress system is updated to reflect actual job costs.

c. Job Numbering

The essential element in keeping track of jobs within the PMS is establishment of a system for identifying jobs.

[6]There are two classes of contracts: "stand-alone" contracts which do not involve PWC shop forces, and those which support the PWC shop forces.

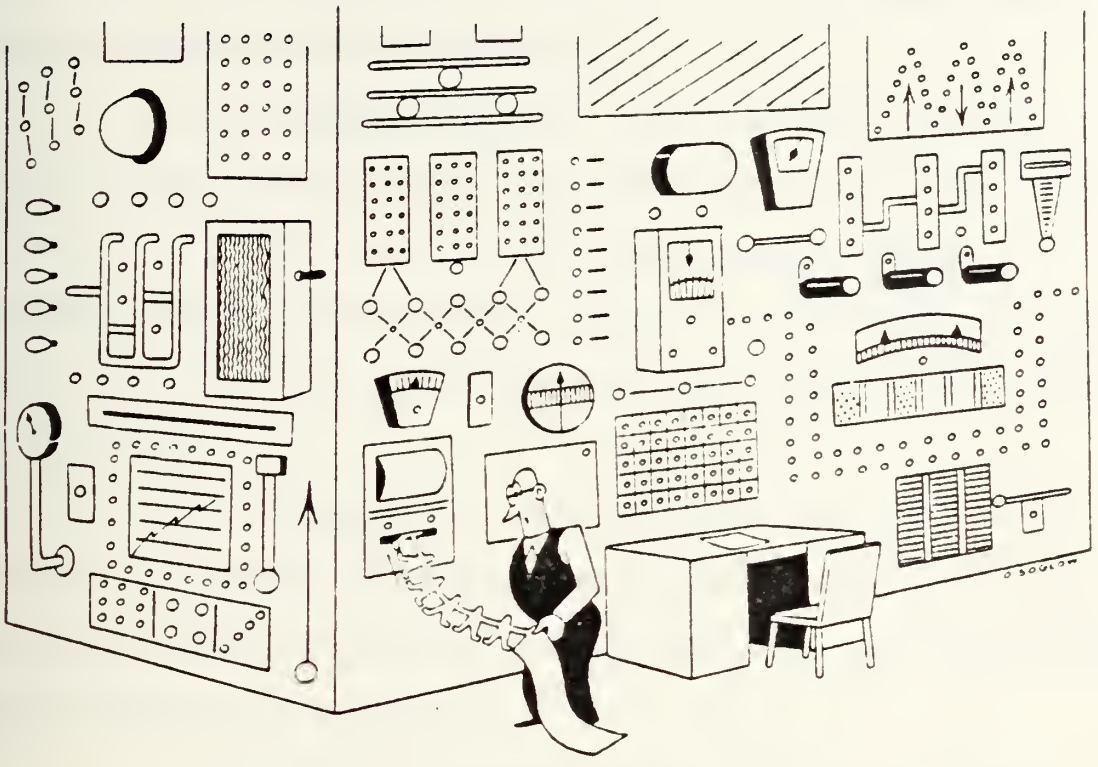
While the identification system may vary among PWCs, one technique is the use of a seven-digit job number. The number may have two digits to identify the customer, one to identify the type of work, one to specify priority of the job, and three serial digits to identify that particular job. The number, or parts of it, would be used for the job from the time it enters the PWC until the work is completed.

4. Data Processing [NAVFAC P-424, 1979]

a. Introduction

Keeping track of all the information needed to administer the PWC operation would be nearly impossible without automated data processing (ADP) equipment. NAVFAC, through the Civil Engineer Support Office, Port Hueneme, has developed a Public Works Center Management Information System (PWC/MIS) for application at all nine PWCs.

The system is comprised of applications designed to fulfill the management requirements of commercial/industrial accounting, budget, and cost; production control comprised of production engineering, job planning, work scheduling, and work accomplishment; material procurement, stocking, staging and issue; utilities production, distribution, consumption and conservation; transportation maintenance and operation; facilities inspection, maintenance, repair, alteration and renovation; and family housing assignment, management and referral services.



"THIS NEW MINI-COMPUTER REALLY CUTS-OUT PAPERWORK!"
(Weber, 1979)

b. Present PWC/MIS

The present MIS consists of several subsystems--financial, material, transportation, utilities, job estimating and production management.

(1) Financial. The financial system provides management with a reporting and control system which is designed to provide for the financial management of the PWC and to fulfill the requirements of NAVCOMPT and the DOD NIF regulations by mechanizing many of the NIF accounting and reporting functions.

(2) Material. This data system provides demand and usage data to enable inventory managers to establish and

maintain material inventories in order to best meet demands with the lowest dollar inventory.

(3) Transportation. The transportation data system produces information that provides for economic management of the PWC transportation fleet and to support customer charges for equipment rental. It is used to prepare reports and to record usage data for each item in the equipment inventory.

(4) Utilities. The utilities data system is designed to provide meaningful analytical, statistical and cost accounting information for the operation and maintenance of the PWC utilities systems.

(5) Job Order Estimating. This data system provides information for management of: job cost (estimated versus actual); labor performance variances; material cost variances; and status of work completion versus funds estimated and utilized.

(6) Production Management System. This data system provides for maximum productivity of PWC shop forces and includes: Reference Numbers Management Programs, which provide transaction control and reporting, management of E/S and Minor Work, and management of work requests in Production Engineering and Planning and Estimating; Work Progress Analysis Programs, which provide control and reports on all customer work requests; Shop Load, Schedule and Feedback Programs, which control manpower requirements, backlog, scheduling, and reporting for jobs in Engineering, Planning and Estimating

and production shops; and Facility Inspection Programs, which schedule inspections, provide reports and prepare the Annual Inspection Summaries.

c. PWC/MIS Improvements

In 1978 ASN(FM) approved a NAVFAC Automated Data System Plan for PWCs. The plan provides for use of distributed multiple mini-computers to furnish ADP support to the PWC/MIS. As of early 1980, 33 mini-computers were being procured for PWC installations.

The expected benefits of the new system include direct life-cycle cost savings; improved estimating accuracy and reduced job costs in the Production Management Data System; improved timing of financial reporting, improved access to financial data, and more rapid billing cycle in the Financial Management System; and in the Material Management System, increased material availability and reduced incidence of job shutdown due to material shortages.

C. THE NAVY INDUSTRIAL FUND

1. Financial Concept

Public Works Centers are Navy Industrial Fund (NIF) activities, rather than appropriated fund activities. Most simply, this means that the PWCs operate on a break-even cost principle, somewhat similar to a profit-making commercial firm. The traditional appropriated fund activities receive an annual sum of money appropriated by Congress to finance mission operations and support functions for the fiscal year.

The PWCs do not receive this annual appropriation; they receive a one-time allocation of money which is used as working capital. They must operate on a break-even basis, charging their customers for their cost of operation.

The PWC operation may be related to that of a profit-making contractor who provides facilities management services. The contractor raises equity to finance the business; the PWC receives a sum of money--a "corpus"--to use as working capital. The contractor performs work, accounts for costs and establishes standard rates to charge for services; the PWC does likewise, except that the PWC must plan for zero profit where the contractor must earn a profit. In either case, the customers are billed for the work, and they pay the contractor or PWC.

PWC rates for each type of service provided are developed using direct labor and material, indirect, and overhead costs in a similar manner as that used in private business except that profit margins are not included. All costs related to a service, such as direct and supervisory labor costs, fringe benefits, general and administrative overhead costs, direct material costs and other service associated costs are estimated and are divided by the estimated number of direct productive labor hours to determine an appropriate rate expressed in dollars per labor hour expended. Customer commands, therefore, are aware of the rate for each type of service which they request from a PWC [Crumbley and Gagen, 1976].

The financial structure of a PWC requires it to be managed like a private business. The initial capitalization provided to an industrial fund activity can only be maintained if its income equals expenses. PWC managers are faced with the same decisions and trade-offs as their counterparts in private business. The significant differences are that a PWC is not profit oriented, is not taxed, and does enjoy a legal monopoly. Most of the problems typically found in private business exist in PWC operations: personnel management, unions, accounting, financial management, inventory control, balancing labor force with workload, and production control. The requirement that a PWC operate at zero profit and zero loss distinguishes it from the majority of Naval commands that operate on a basis of expending appropriated funds without generating any income [Crumbley and Gagen, 1976].

2. Scope

PWCs are one of several types of activities which operate under the NIF concept. Other types of NIF functions are shipyards, air rework facilities, printing offices and research labs. The Navy Industrial Fund will be discussed in general and applied to the PWC in particular.

The Navy Industrial Fund is big business! The fifty NIF activities performed work (sales) valued at $7.2 billion in FY 1979 (19 percent of the total Navy budget), and employed 161,400 civilian personnel (50 percent of the Navy total) and 8,600 military personnel. If the NIF were placed on Fortune

magazine's list of 500 top industries in sales, it would rank twenty-second. As can be seen by the NIF operating statements for the quarter ending 13 December 1978 [Figure II-4] the PWCs represent about eight percent of the total NIF revenue. Figure II-5 indicates that PWCs produce over ten percent of the direct labor hours, but only five percent of the indirect labor hours. This workload is performed by 12,600 civilian employees and 107 military employees who comprise eight and six percent of the total NIF employment respectively [Figure II-6] [Navy Industrial Fund Financial Operations for FY 1979].

The following discussion of the Navy Industrial Fund is excerpted from the student text for the Naval Postgraduate School Practical Comptrollership Course.

3. History

In 1949 Congress amended the National Security Act of 1947 establishing the Department of Defense, and recognized the need to promote "efficiency and economy" through use of uniform budgetary and fiscal procedures.

Among the features of the National Security Act was authorization [10 U.S.C. 2208] for the Secretary of Defense to establish working capital funds for the purpose of financing supply inventories and the capitalization of industrial type activities. Thus, what are known today as "stock funds" and "industrial funds" resulted from the National Security Act of 1947.

NAVY INDUSTRIAL FUND

REVENUE AND PROFIT/(LOSS)

PERIOD ENDED 31 DEC 1978

($ in millions)

REVENUE	31 DEC 78 ACTUAL	31 DEC 78 BUDGET			31 DEC 77 ACTUAL
		AMOUNT	$VAR	%VAR	
Shipyards	$ 353	$ 553	$ -199	-36%	$ 222
NARFs	207	223	- 17	- 8	201
Research Labs	382	408	- 26	- 6	347
Ordnance	139	162	- 24	-15	118
Pub Wks Ctrs	117	114	3	3	97
Pub & Print Svc	20	20	0	0	18
Mil Sealift Cmd	229	273	- 44	-16	186
Other	39	51	- 11	-22	41
TOTAL	$ 1,486	$ 1,803	$ -317	-18%	$ 1,230

PROFIT/(LOSS)	31 DEC 78 ACTUAL	31 DEC 78 BUDGET			31 DEC 77 ACTUAL
		AMOUNT	$VAR	%VAR	
Shipyards	$ 16	$ 21	$ - 4	-19%	$ 9
NARFs	-2	-12	9	75	-3
Research Labs	4	-3	7	233	1
Ordnance	4	-2	5	250	1
Pub Wks Ctrs	6	-1	7	700	3
Pub & Print Svc	0	0	0	0	0
Mil Sealift Cmd	-10	4	-14	-350	-5
Other	0	0	0	0	0
TOTAL	$ 18	$ 7	$ 11	157%	$ 6

Figure II-4

NAVY INDUSTRIAL FUND

LABOR HOURS, 31 DEC 1978

(hrs in thousands)

CIVILIAN DIRECT LABOR HOURS	31 DEC 78 ACTUAL	31 DEC 78 BUDGET			31 DEC 77 ACTUAL
		TOTAL	VAR	% VAR	
Shipyards	17,322	18,110	-788	-4%	17,270
NARFs	6,065	5,654	411	7	6,152
Research Labs	7,380	7,866	-485	-6	7,356
Ordnance	4,276	4,334	- 58	-1	4,092
Pub Wks Ctrs	4,219	4,165	54	1	4,027
Pub & Print Svc	309	323	-14	-4	306
Other	1,207	1,262	- 55	-4	1,157
TOTAL	40,778	41,714	-936	-2%	40,360

CIVILIAN INDIRECT LABOR HOURS	31 DEC 78 ACTUAL	31 DEC 78 BUDGET			31 DEC 77 ACTUAL
		TOTAL	VAR	% VAR	
Shipyards	12,150	12,523	-373	-3%	11,860
NARFs	5,124	6,152	-1,028	-17	5,154
Research Labs	5,552	4,845	707	15	5,639
Ordnance	3,748	3,618	130	4	3,669
Pub Wks Ctrs	1,414	1,460	-47	-3	1,355
Pub & Print Svc	179	173	6	4	186
Other	997	660	337	51	1,064
TOTAL	29,163	29,431	-268	-1%	28,916

Figure II-5

NAVY INDUSTRIAL FUND

NUMBERS OF EMPLOYEES

AS OF 31 DEC 1978

CIVILIAN EMPLOYMENT	31 DEC 1978 ACTUAL			31 DEC 78	30 SEP
	GRADED	UNGRADED	TOTAL	BUDGET	ACTUAL
Shipyards	16,329	52,543	68,872	69,090	68,263
NARFs	6,422	18,556	24,978	23,848	25,111
Research Labs	25,618	5,397	31,015	30,190	29,906
Ordnance	11,124	7,732	18,856	18,614	18,521
Pub Wks Ctrs	2,344	10,280	12,624	12,359	12,199
Pub & Print Svc	354	884	1,238	1,202	1,239
Mil Sealift Cmd	1,004	3,988	4,992	5,420	4,840
Other	3,127	2,008	5,135	4,967	5,202
TOTAL	66,322	101,388	167,710	165,690	165,281

MILITARY EMPLOYMENT	31 DEC 78 ACTUAL		
	OFFICER	ENLISTED	TOTAL
Shipyards	393	368	761
NARFS	80	153	233
Research Labs	694	3,298	3,992
Ordnance	230	2,103	2,333
Pub Wks Ctrs	96	11	107
Mil Sealift Cmd	125	333	458
Other	94	547	641
TOTAL	1,712	6,813	8,525

Figure II-6

Within the Armed Forces, each fund requires an individual charter approved by the Assistant Secretary of Defense (Comptroller). In the Navy, before an activity can be financed under the industrial fund, a charter must be signed by the Secretary or Assistant Secretary of the Navy (Financial Management) and be approved by the Assistant Secretary of Defense (Comptroller).

4. Working Capital Funds

a. Theory

A fund is defined as a separate enterprise, having assets, liabilities, net worth, income and expenditures of its own. In commercial practice, a fund is a device to limit the area of attention by defining the activities, or operations with which a particular management group and set of records are concerned. In government practice, a fund is not tied to profit making; hence, the emphasis is not on maximizing income. The fund was created to isolate a particular area and allow management to focus on it as an entity.

A working capital fund is a revolving fund used as a source of financing for work (or services) that will be paid for by the customer after completion of the job. The activity performing the work pays for costs incurred out of its working capital fund during the job accomplishment. When the job is complete, the customer is billed and the fund is reimbursed. In some cases, such as shipyards, PWCs, and NARFs, the customer may be "progress billed" for work accomplished up to the date of the billing, even though the job

may not be completed. The goal of a DOD working capital fund is to recover all costs exactly; that is, work to a zero profit or loss.

Even before the enactment of the National Security Act of 1947, the Navy had half a century of experience with a working capital fund--the Navy stock fund. By the time of the National Security Act, the Navy stock fund had served well through two world wars, subsequent demobilizations and a depression. The authorization of the stock funds and the industrial funds was therefore based on prior experience.

b. Advantages

There are a number of advantages to the use of a working capital fund:

(1) The establishment of a buyer-seller relationship between commands. This relationship encourages cost consciousness and eliminates the concept of "free" supplies and services.

(2) Financing is simplified when compared to appropriated funding.

(3) Because of cost visibility, the "buyer" is able to be a critic, a situation which should result in lower unit costs of production.

(4) Duplication of comparable facilities is reduced through consolidation of similar activities into the NIF organization.

(5) The mandatory cost accounting features make it possible to establish a total cost per unit for products and services.

c. Objectives

Department of Defense Directive 7410.4, Regulations Governing Industrial Fund Operations, lists the following objectives of industrial funds:

(1) Provide a more effective means for controlling the costs of goods and services.

(2) Create and recognize contractural relationships.

(3) Provide financial authority and flexibility required to procure and use manpower, materials and other resources effectively.

(4) Encourage more cross-servicing.

(5) Support the performance budget concept by facilitating budgeting and reporting for the costs of end products.

It is clear that as far as the DOD is concerned, industrial fund accounting is a management tool. The intent is to provide for effective management of funds by industrial fund customers as well as by industrial fund activities.

d. DOD Industrial Funds

Each uniformed service has its own industrial fund:

(1) Army Industrial Fund--particularly depot supply, maintenance, and research activities; the Military Traffic Management and Terminal Service (MTMTS) is the largest single industrial fund activity in DOD, based on the cash allocation from the corpus.

(2) Navy Industrial Fund--the largest of the industrial funds, again, based on cash allocation; the Military Sealift Command (MSC) is the largest of the Navy industrial fund activities.

(3) Marine Corps Industrial Fund--the smallest of the DOD funds; finances equipment maintenance depots and technical support to the Corps.

(4) Air Force Industrial Fund--includes maintenance of aircraft and the Military Airlift Command (MAC).

(5) Defense Industrial Fund--consists of the Defense Clothing and Textile Supply Center and leased communications procured by the Defense Communications Office.

5. Operations

a. Principles

NIF operations for each activity are budgeted on a "break-even" basis; in theory, customers pay only for actual costs incurred by the NIF activity, which include an apportioned amount to cover overhead costs. The traditional objective of NIF is to have no profits or losses at the end of the year. However, in reality, there are annual profits or losses which temporarily increase or decrease the capital of the fund. This is considered in the next budget preparation by the NIF activity, and rates are adjusted to bring accumulated operating results back to zero. As a result of DOD rate stabilization actions for NIF activities, the break-even point in operations now occurs at the end of a three year cycle, rather than at the end of each fiscal year. The three year cycle provides for zero gain/loss on a cumulative basis.

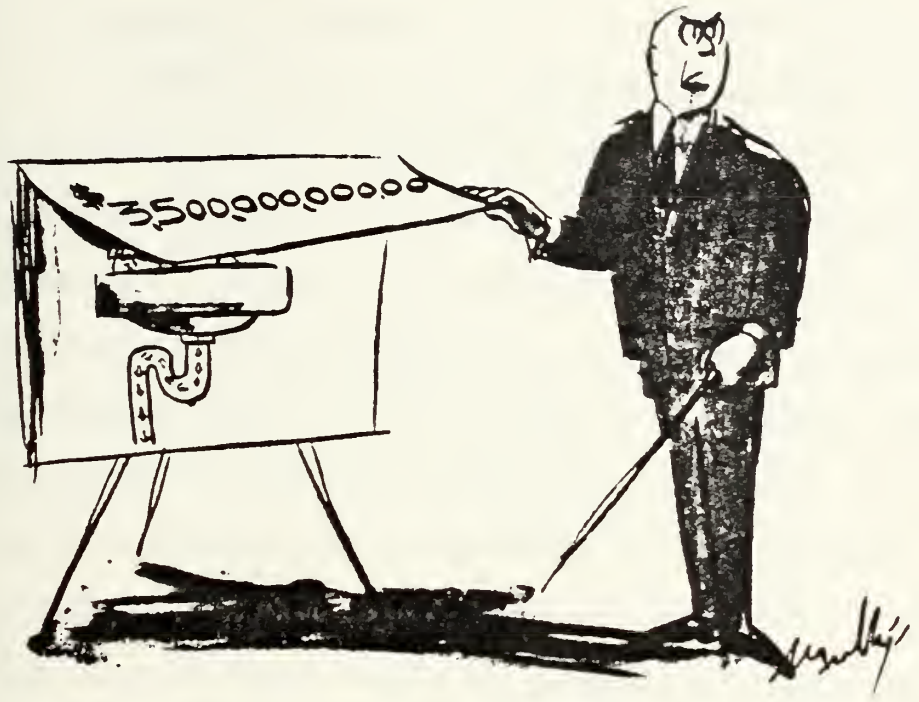
NIF provides an environment similar to that of private industry which encourages better management through:

(1) The creation of a contractual relationship between the NIF (industrial/commercial) activity and the customer. The customer is required to define the tasks to be undertaken, and the NIF activity is required to estimate the costs accurately. Based on the cost estimate, the customer decides what tasks should be performed and cites the funds to be charged on a work request, project order, etc. (The contractual relationship does not occur in the true sense in RDT&E, but the benefits of cost visibility are achieved through NIF accounting.)

(2) The cost accounting system allows proper billing by identifying costs with specific jobs, which provides a means of measuring efficiency, developing standard pricing, and projecting realistic future budgets.

(3) The revolving fund provides flexibility in the use of capital, relatively free of the Congressional appropriation cycle. However, it should be noted that NIF activities rely upon Congress to provide customers with funds for work, either directly or indirectly. This allows the NIF activity to be responsive to local conditions and adjust its operations accordingly, within established limitations.

NIF makes use of a revolving fund and, therefore, requires budgeting to forecast future costs and levels of operation. Cost accounting is used to assign costs to specific jobs on an accrual basis. Accrual accounting focuses on the



"Now, let's take a look at where it's going!"
James Mulligan
(New Yorker, 1975)

use of resources rather than on outlays for resources; thus, labor costs represent labor performed instead of wages paid, and material costs represent materials consumed rather than materials purchased during the period. In contrast, appropriation funding comes from Congress; appropriation accounting emphasizes the recording of expenditures and obligations as they are paid, which is a form of cash accounting.

b. Responsibilities

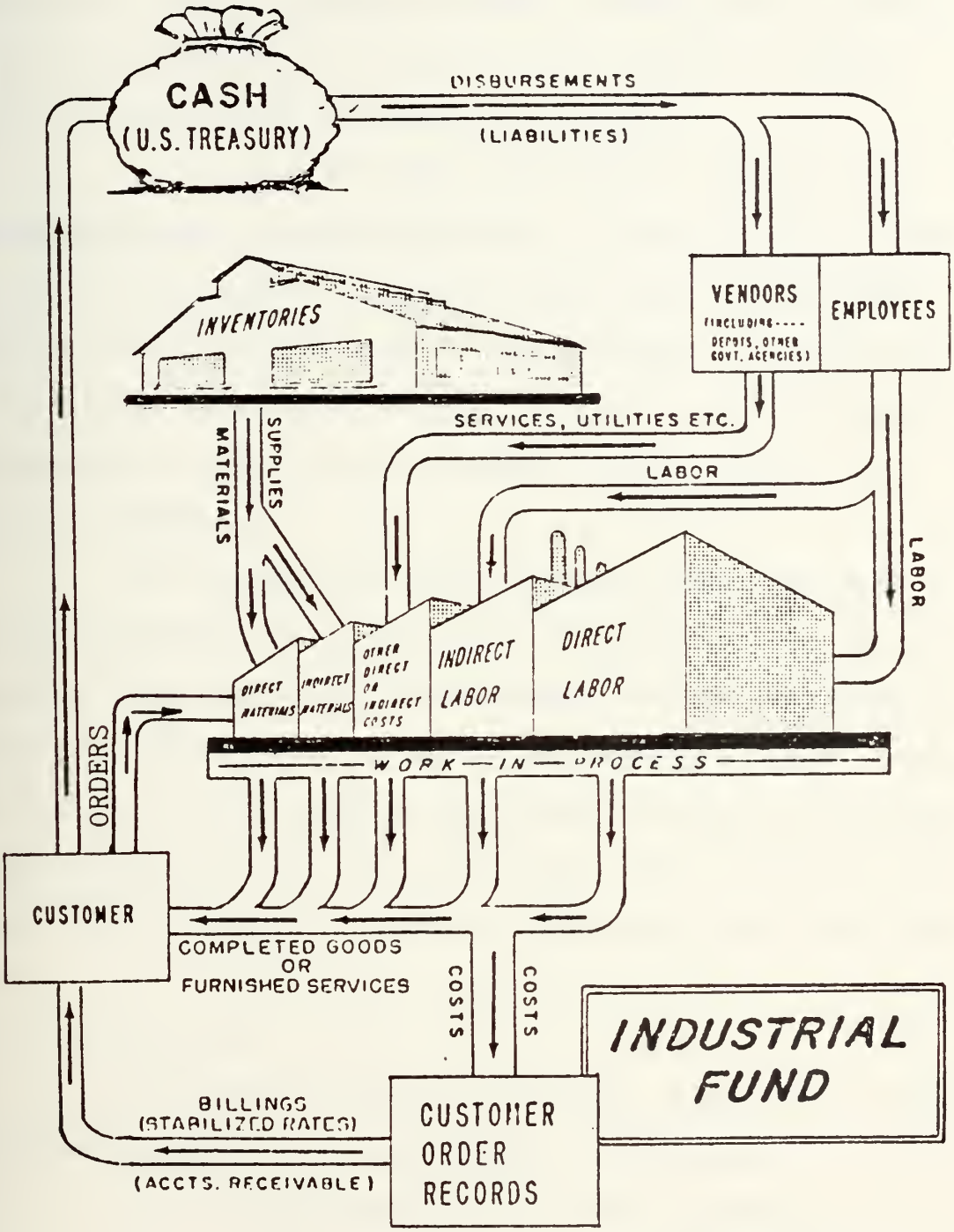
Overall NIF management is provided by the Comptroller of the Navy (NAVCOMPT), who has the responsibility under Section 3679 of the Revised Statutes (30 USC 665) to

avoid overobligation of the corpus as a whole. Section 3679 prohibits obligation of funds in excess of those available.

NAVCOMPT establishes accounting policies common to all NIF and Marine Corps Industrial Fund activities. These policies are published in the Navy Comptroller's Manual (NAVCOMPT Manual), Volume 3, Chapter 8. A handbook for each type of activity, containing details applicable to that particular activity group, is also issued by NAVCOMPT. Most of these handbooks are prepared by the activity group manager, and reviewed and published by NAVCOMPT. Additionally, budgeting instructions and coordination are provided by NAVCOMPT to the field activities. Activity command and management are exercised through the chain of command.

c. Operating Cycle

As shown in Figure II-7, the customer places an order for work or services with the NIF activity by using a work request, project order, or one of the other forms described in paragraph 038320 of the NAVCOMPT Manual. A project order (NAVCOMPT Form 2053) is normally used if the work is specific in nature (scope of work and dollar value well defined) and the period of performance may extend beyond the current fiscal year. Conversely, a work request (NAVCOMPT Form 140), or other document which expires at the end of the fiscal year, should always be used for recurring or annually required work or services. Acceptance of either document by the performing (NIF) activity constitutes an obligation in the full amount of the order; however, at the end of the



CUSTOMER ORDER PROCESS

Figure II-7

fiscal year, the project order will remain as a 100 percent obligation, whereas the work request automatically reverts to an obligation which is equal to the amount of actual costs incurred by the performing activity.

The order for work specifies the work to be accomplished and dollar limitations. Generally, the liability of the customer is limited by the terms of the order. However, as a practical matter, the customer is liable for cost overruns beyond the control of the performing activity, or incurred as a result of customer decisions after the order is accepted.

On the basis of the customer order, the NIF activity performs the work, paying for expenses out of the revolving fund, and bills the customer for work performed, either on a fixed-price or a cost reimbursable basis. Billing may be after all work is completed, or partial payments may be requested while work progresses. The customer reimburses the NIF activity, thereby replenishing the revolving fund.

d. Control

The basic tools of NIF fiscal control are listed in NAVCOMPT Manual, paragraph 038370, as follows:

(1) Establishment of a plan--budgeting.

(2) Accumulation of performance data in the same terms as the plan--cost accounting.

(3) Comparison of performance data with the plan--financial analysis.

(4) Taking corrective action where there is a variance between performance and plan--management.

e. Budgeting

In the past, budgeting under NIF was accomplished in two major actions, the annual A-11 Budget submission and the Financial and Operating Budget development. While NIF budgeting is separate from appropriation budgeting, the A-11 Budget provided a vehicle for comparing NIF activity with the appropriation budget at the Department of the Navy level. The Financial and Operating Budget was developed for each activity in accordance with the NIF handbook for that particular type of activity. While the exact format of budget submittals varied depending on the type of activity, the Financial and Operating Budget included the following components:

(1) Justification: A narrative explaining the factors considered in formulating the budget; see example at Figure II-8.

(2) Production Budget and Related Overhead Expense Budgets: The estimated direct and indirect costs, classified by type of cost, responsibility, and type of service or product; refer to Figure II-9.

(3) Projected Statement of Financial Condition: A projected "balance sheet" shich lists assets, liabilities, and capital; refer to Figure II-10.

(4) Projected Statement of Income and Expenses: Projected revenue, costs and expenses; refer to Figure II-11.

NAVY PUBLIC WORKS CENTER
Norfolk, Virginia 23511

BUDGET JUSTIFICATION

PERIOD: FROM 1 July 1973 TO 30 June 1974

1. Basic Expectation

This budget has been prepared based on information submitted by all cost centers and represents a total anticipated workload of nearly $41 million for FY-1974. This represents an increase of $3 million over total projected sales for FY-1973. This increase is due to the continuing escalation of wages and material costs, and expected workload increases due to the impact of the Shore Establishment Realignment announced in April 1973 by the Secretary of Defense.

The following comments summarize the impact of wage and salary increases affecting the FY-1974 budget:

a. Legislation, effective in May 1973, changed the blue collar wage scale by establishing a new 4th step for workers who have been in step 3 for 104 weeks. This has increased cost of wages by approximately 4 percent in the blue collar area;

b. An anticipated pay increase of 5.5 percent for all ungraded employees is expected in the first quarter of FY-1974 and has been included in the FY-1974 budget; and

c. Rates applicable to all graded employees include an anticipated 6 percent increase effective 1 January 1974.

As in the case of wages, inflationary trends in material costs will impact significantly on FY-1974 cost of operations. Most significant in this area is the increased cost of fuel oil used at all PWC power plants for steam generation. The increase in the cost of fuel oil is 25 to 35 percent greater than in FY 1973.

Sewage services purchased from Hampton Road Sanitation District Commission will cost this Center approximately 160 percent more in FY-1974 than in FY-1973 because of increased rates imposed on all large commercial/industrial and government users of HRSDC disposal facilities. Also, the public utility company providing natural gas to PWC Norfolk has increased the purchased gas rate by 9 percent.

2. Significant Changes in Planned Workload

The shore establishment realignment actions planned by the Department of the Navy will result in the relocation of several shore base establishments to the Tidewater, Virginia area; will result in the reassignment of more than 9,000 Navy personnel and dependents to this area; and will result in approximately 20 additional ships being homeported at the Norfolk Naval Base. The full impact of this realignment on the Center's workload is not yet known. It is felt, however, that a considerable amount of additional effort will be required by PWC Norfolk to accommodate the activities relocating to this area.

Figure II-8a

3. Acceleration, Overhead and Predetermined Rates

The labor acceleration rate to be applied for leave accrual and the Government's portion of FICA, EHBF, ELIF and CSRF is 33% for FY-1974. The applied overhead and predetermined rates as reflected in this budget have been established at a level to provide no gain or loss for the year. It should be noted that both the Virginia Electric and Power Company and the Chesapeake and Potomac Telephone Company have proposed rate increases pending before various regulatory review boards. If rate increases are approved in FY-1974, the resulting impact on operational costs may necessitate rate adjustments at a subsequent time.

4. Employment Levels

This budget is based on the following employment levels:

Overhead Personnel	Productive Personnel	Total
415	1323	1738

5. Cash Requirements

The cash position of this Center is sound.

6. Significant Changes in Level of Operations which will affect the Financial Condition of the Public Works Center

Conversion from Navy Special Fuel Oil to Navy Distillate Fuel on 1 January 1974 will result in an increase in cost of steam generation of over $1 million. As indicated, the use of Navy Distillate Fuel in lieu of Navy Special Fuel will have significant financial impact on PWC Norfolk, and ultimately on activities served by this Center. In addition to fuel cost increases, the use of Navy Distillate Fuel requires the replacement of new pumps at the P-1 Power Plant in order to handle the new fuel. It is expected that these pumps will be installed by 31 December 1973. The shore establishment realignment actions discussed in paragraph 2 may necessitate some deviation from this budget. However, the level of operations as presented and the rates established for FY-1974 are based on the best existing information known at this time and will remain in effect unless subsequent conditions warrant a change.

NAVY PUBLIC WORKS CENTER
Norfolk, Virginia 23511

COST CENTER-BUDGET

PERIOD: FROM 1 July 1973 TO 30 June 1974

COST CENTER NUMBER AND TITLE 600 Utilities (1)	HOURS (2)	AMOUNT (3)
DIRECT COST:		
Materials		4236430
Labor		2165500
Contractual Services:		
Commercial		-
Other/Government		5023710
Other Costs		5100
Total Direct Cost		11430740
Overhead Applied:		
Production		435170
General and Administrative		421250
Total Cost of Production		12287160
Less: Inter-Departmental Transfers		211230
NET TOTAL		12075930
OVERHEAD COST:		
Supervision		298700
Other Salaries and Wages		67920
Operation Dispatcher and Service Station Attendant		
Time Waiting for Parts/Equip.		
Standby Time		
Overtime Premium Pay		2500
Overhead Work Performed by Production Workers		
Misc. Production Jobs		
Allowed Time		1200
Telephone Services		7930
Electricity		1210
Steam		1650
Gas		
Water		160
Sewage		1100
Other Utilities		
Janitorial Services		4470
Pest Control Services		500
Use of Public Works Center Transp. Equip.		26600
Refuse and Garbage Services		1000
Materials and Supplies		2990
Purchase of Office Furniture and Equipment		
Purchase of Shop Equipment		
Equipment Rental		600
Navy Industrial Fund Purchased Equipment		1500
Maintenance and Repairs - Bldgs.		3000
Maintenance and Repair - Grounds		
Repair of Office Furniture and Equipment		150
Maintenance and Repair of Shop Equipment		100
Rearranging of Facilities		3500
Emergency/Service Work		5000
Defective Work and Spoilage		
Travel		1000
Training		2000
Printing and Reproduction		
Unallocable Costs		
SUB-TOTAL		
TOTAL COST CENTER		434780
General and Administrative Overhead Allocated to Production Cost Centers		410990
TOTAL OVERHEAD COSTS		845770
Applied Overhead Rate Per Direct Labor Hour		2.46

Figure II-9

NAVY PUBLIC WORKS CENTER
Norfolk, Virginia 23511

STATEMENT OF FINANCIAL CONDITION-BUDGET

PERIOD: FROM 1 July 1973 TO 30 June 1974

ITEM	% OF TOTAL	END OF FY	BEGINNING OF FY	% OF TOTAL
(1)	(2)	(3)	(4)	(5)
ASSETS				
Cash	19.2	1,593,400	1,534,500	18.3
Accounts Receivable:				
Government Agencies	20.4	1,688,700	1,840,490	21.9
Other		--	--	--
Inventories:				
Work in Process	46.3	3,842,600	3,842,600	45.7
Materials and Supplies:				
Material and Supplies	10.4	860,410	899,310	10.7
Direct Material	3.1	257,100	238,300	2.8
Material in Transit	.5	43,850	42,800	.5
Other Assets:				
Travel Advances	.1	10,000	10,000	.1
TOTAL ASSETS	100.0	8,296,060	8,408,000	100.0
LIABILITIES				
Accounts Payable:				
Government Agencies	4.6	282,400	287,010	4.5
Other	18.3	1,130,400	1,208,700	19.2
Accrued Expenses:				
Leave	20.8	1,286,260	1,382,260	21.9
Salaries and Wages	6.7	417,600	348,000	5.5
Taxes and Contributions	.6	34,530	28,780	.5
Other	9.8	608,300	608,300	9.7
Advances From Customers	.8	53,000	63,000	1.0
Progress Payments - DOD Components:				
Work in Process	38.4	2,377,908	2,108,358	33.4
Other Liabilities		--	--	
Reserves:				
Major Maintenance, Repairs and Alterations		--	267,930	4.3
TOTAL LIABILITIES	100.0	6,190,398	6,302,338	100.0
CAPITAL OF FUND				
Cash Allocation	XXXXX	2,900,000	2,900,000	XXXXX
Assets Capitalized	XXXXX	172,061	172,061	XXXXX
Liabilities Assumed	XXXXX	(1,137,529)	(1,137,529)	XXXXX
Accumulated Operating Results	XXXXX	171,130	171,130	XXXXX
TOTAL CAPITAL	XXXXX	2,105,662	2,105,662	XXXXX
TOTAL LIABILITIES AND CAPITAL	XXXXX	8,296,060	8,408,000	XXXXX

Figure II-10

NAVY PUBLIC WORKS CENTER
Norfolk, Virginia 23511

STATEMENT OF REVENUE AND COSTS-BUDGET

REVENUE		
Overhaul, Repair and Renovation		19,609,070
Transportation Services		3,359,370
Utility Services		14,673,030
Sanitation Services		2,067,910
Support of Tenants and Satellites		1,124,100
Additions and Improvements to Plant		---
Other Products and Services		---
TOTAL REVENUE		40,833,480
COSTS		
DIRECT COSTS:		
Materials and Supplies	9,192,810	
Direct Material	---	
Labor	13,872,820	
Contractual Services:		
Commercial	3,692,000	
Other/Government	7,669,730	
Other Costs	694,760	
TOTAL DIRECT COSTS		35,122,120
PRODUCTION EXPENSE:		
Materials and Supplies	152,410	
Labor	3,346,060	
Contractual Services:		
Commercial	75,630	
Other/Government	3,690	
Other Costs	913,350	
TOTAL PRODUCTION EXPENSE		4,491,140
GENERAL AND ADMINISTRATIVE EXPENSE:		
Materials and Supplies	53,060	
Labor	2,718,070	
Contractual Services:		
Commercial	26,300	
Other/Government	220,700	
Other Costs	260,320	
TOTAL GENERAL AND ADMINISTRATIVE EXPENSE		3,278,450
TOTAL OVERHEAD EXPENSE		7,769,590
TOTAL COSTS INCURRED		42,891,710
LESS: Costs of Items Manufactured for Activity Inventory		-o-
Interdepartmental Transfers		2,058,230
TOTAL COSTS INCURRED FOR CUSTOMERS		40,833,480
(INCREASE)DECREASE-WORK IN PROCESS		-o-
COST OF GOODS AND SERVICES PRODUCED		40,833,480
NET OPERATING RESULTS		-o-

Figure II-11

(5) Summaries: A cash budget (cash flow) projection, as well as items of specific interest to the activity group manager; refer to Figure II-12 for sample cash flow budget.

It is noted that A-11 and Operating Budgets are now combined, so that there is only one budget submittal. The combined budget incorporates all the components of the old Financial and Operating Budget and A-11 Budget. At some NIF activities the Operating Budget is still used as an internal management tool.

f. Cost Accounting

The accounting system for NIF features double entry bookkeeping, accrual accounting, internal control over all transactions, and integration of cost accounting records with the general ledger accounts. Again, the details vary according to the type of activity, and are spelled out in the appropriate handbook.

There are certain traditionally required (internal) financial controls at all NIF activities:

(a) Cost estimates and controls for monitoring costs--to preclude costs from exceeding the amounts authorized on customer orders.

(b) Accounting controls--to prove the accuracy and propriety of transactions and accounting records.

(c) Budgetary controls--which require that the financial plan and accumulation of actual data be on the same basis.

NAVY PUBLIC WORKS CENTER
Norfolk, Virginia 23511

CASH-BUDGET

PERIOD: FROM 1 July 1973 TO 30 June 1974

ITEM (1)	AMOUNT (2)
CASH BALANCE - BEGINNING OF PERIOD	1,534,500
RECEIPTS:	
Allocation From Navy	
Industrial Fund Corpus	-0-
Accounts Receivable:	
Government Agencies	31,243,270
Other	-0-
Advances From Customers	294,450
Progress Payments - DOD Components	9,707,100
Other (Specify)	-0-
TOTAL RECEIPTS	41,244,820
DISBURSEMENTS:	
Return to Navy	
Industrial Fund Corpus	-0-
Accounts Payable:	
Government Agencies	34,272,880
Other	6,883,540
Travel Advances	29,500
TOTAL DISBURSEMENTS	41,185,920
CASH BALANCE - END OF PERIOD	1,593,400

Figure II-12

When a customer order is received by a NIF activity, it is assigned a unique job order number, to which all work is charged. Costs are accumulated and customer billings are made on the basis of these job orders. It should be noted that funds from different appropriations or fiscal years cannot be mixed in this process.

Figure II-14 is a schematic of the collection of job order costs under NIF. As can be seen, there are three types of costs:

(1) Direct costs (labor, labor acceleration, material, etc.) are charged directly to the job order as the work is performed.

(2) Production overhead costs (supervision, contractual costs, etc.) are distributed to each job order by use of a predetermined rate within the cost center.

(3) General and administrative overhead costs (management, comptroller, civilian personnel office, etc.) are distributed with a predetermined rate based on the output of the entire NIF activity (all cost centers).

Accruals (for the maintenance of utility distribution systems, etc.), when authorized by higher authority, are distributed according to the amount of the service (utility) used during the billing period.

Overhead is applied in each cost center as depicted in Figure II-14. All production overhead costs for the cost center for the upcoming period are estimated and totaled. This total is then divided by the estimated direct

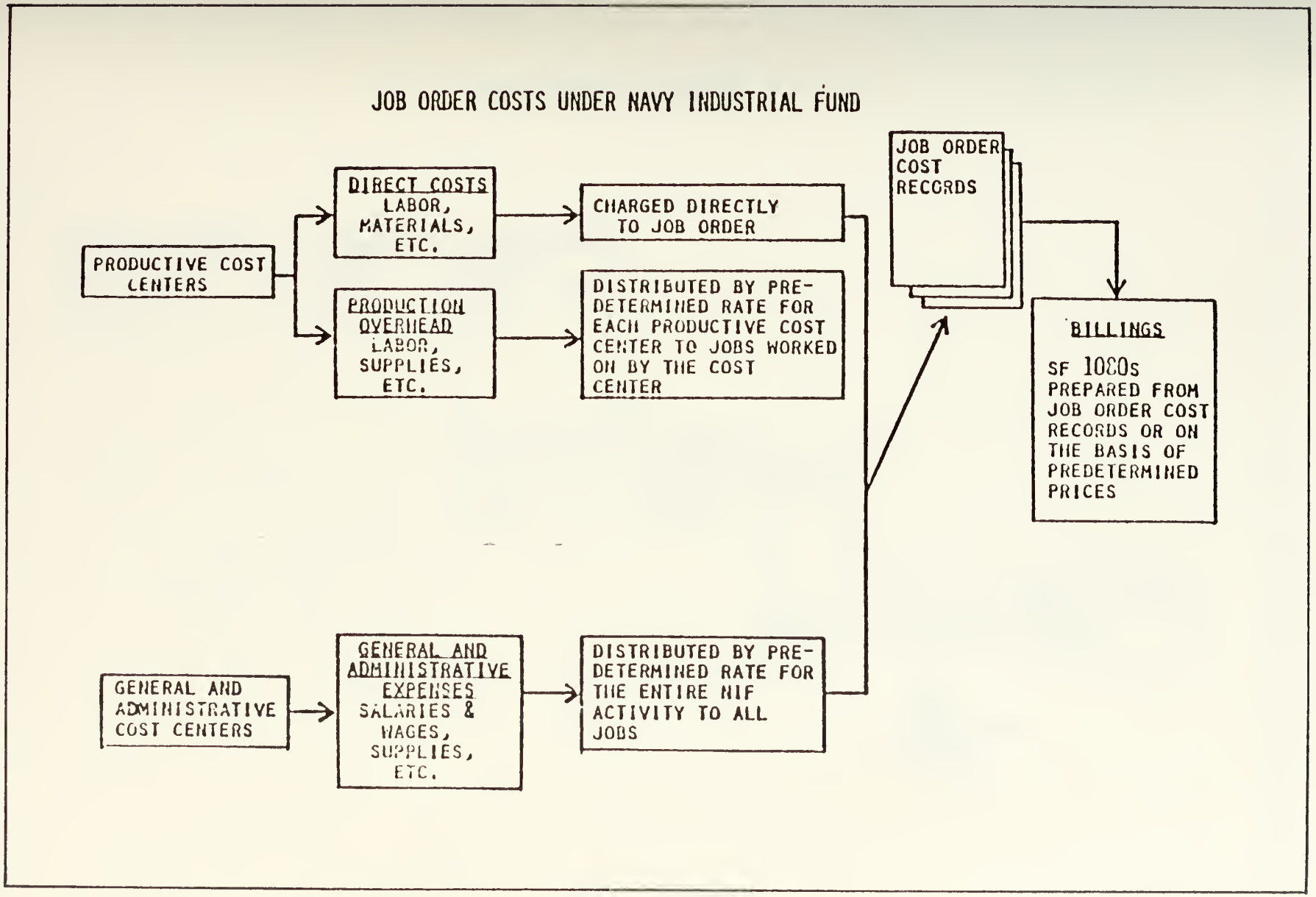

JOB ORDER COSTS UNDER NAVY INDUSTRIAL FUND
PRODUCTIVE COST CENTERS
DIRECT COSTS LABOR, MATERIALS, ETC.
CHARGED DIRECTLY TO JOB ORDER
PRODUCTION OVERHEAD LABOR, SUPPLIES, ETC.
DISTRIBUTED BY PRE-DETERMINED RATE FOR EACH PRODUCTIVE COST CENTER TO JOBS WORKED ON BY THE COST CENTER
JOB ORDER COST RECORDS
BILLINGS
SF 1080s PREPARED FROM JOB ORDER COST RECORDS OR ON THE BASIS OF PREDETERMINED PRICES
GENERAL AND ADMINISTRATIVE COST CENTERS
GENERAL AND ADMINISTRATIVE EXPENSES SALARIES & WAGES, SUPPLIES, ETC.
DISTRIBUTED BY PRE-DETERMINED RATE FOR THE ENTIRE NIF ACTIVITY TO ALL JOBS

Figure II-13

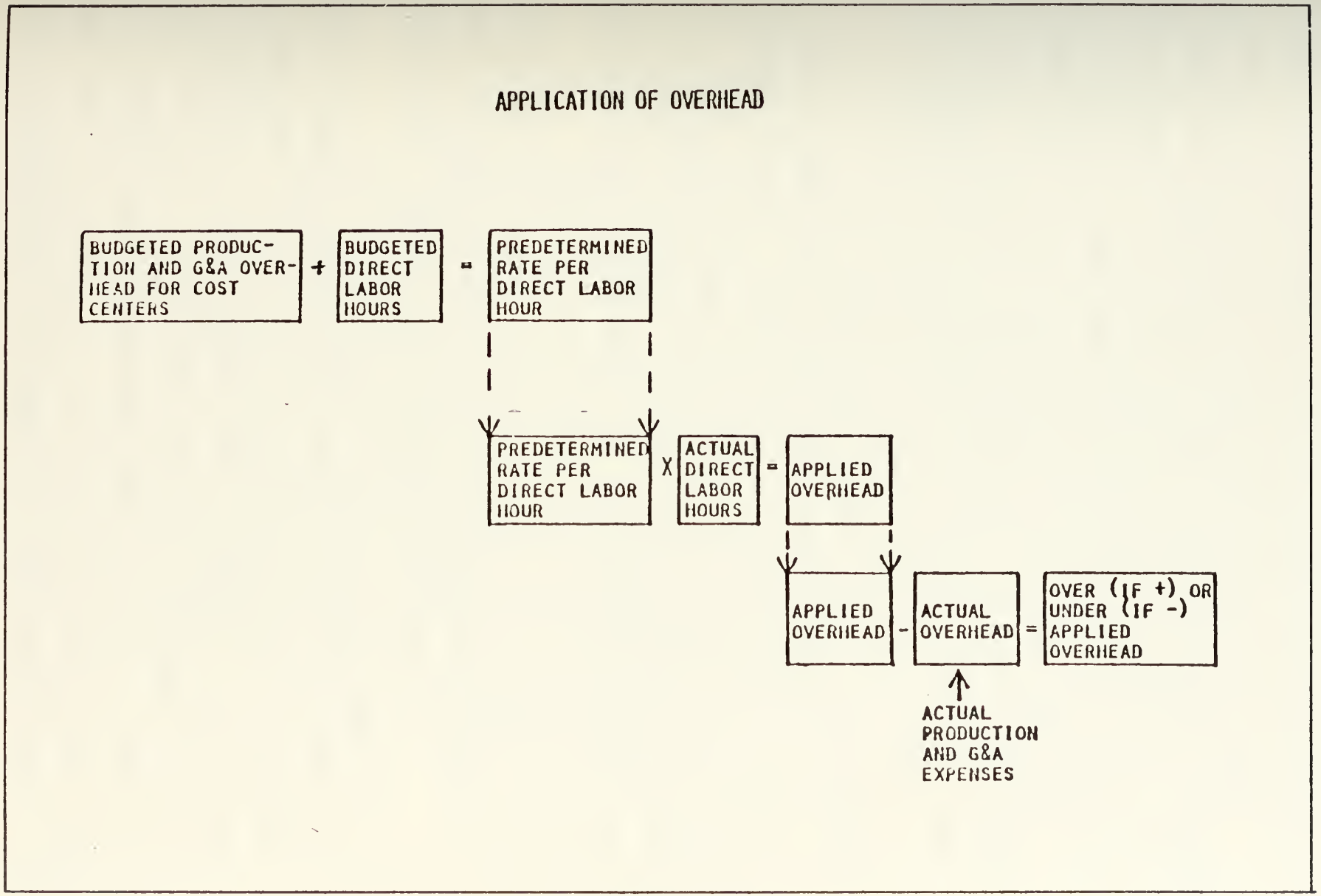

APPLICATION OF OVERHEAD
BUDGETED PRODUCTION AND G&A OVERHEAD FOR COST CENTERS
+
BUDGETED DIRECT LABOR HOURS
=
PREDETERMINED RATE PER DIRECT LABOR HOUR
PREDETERMINED RATE PER DIRECT LABOR HOUR
X
ACTUAL DIRECT LABOR HOURS
=
APPLIED OVERHEAD
APPLIED OVERHEAD
-
ACTUAL OVERHEAD
=
OVER (IF +) OR UNDER (IF -) APPLIED OVERHEAD
ACTUAL PRODUCTION AND G&A EXPENSES

Figure II-14

labor hours that will be incurred within the cost center, giving the production overhead rate for the cost center. General and administrative (G&A) overhead costs are estimated and totaled for all cost centers of the NIF activity. The total G&A overhead costs are divided by the total number of direct labor hours available for all the productive cost centers, giving the G&A overhead rate. For each cost center, the predetermined overhead rate is the sum of the cost center production overhead rate and the G&A overhead rate.

The predetermined overhead rate is then applied to each actual direct labor hour worked, resulting in the applied overhead, which is compared to the actual overhead. The difference between the applied and actual overheads gives the overhead variance, which will be considered as an adjustment when next re-computing the predetermined overhead rates.

There are a number of other costs which also must be accounted for and recovered. Figure II-15 shows the fund flow for reimbursement of costs not reimbursed by customer activities. These costs include the following:

(1) At some activities, a certain amount of plant capacity is maintained in order to meet possible contingencies. Although it is sometimes difficult to discriminate between plant capacity that is needed on a daily basis and that which is maintained solely for contingency purposes, the NAVCOMPT Manual (paragraph 038005) provides: that costs applicable to maintaining unutilized and underutilized capacity will be budgeted for and funded as a mobilization reserve item.

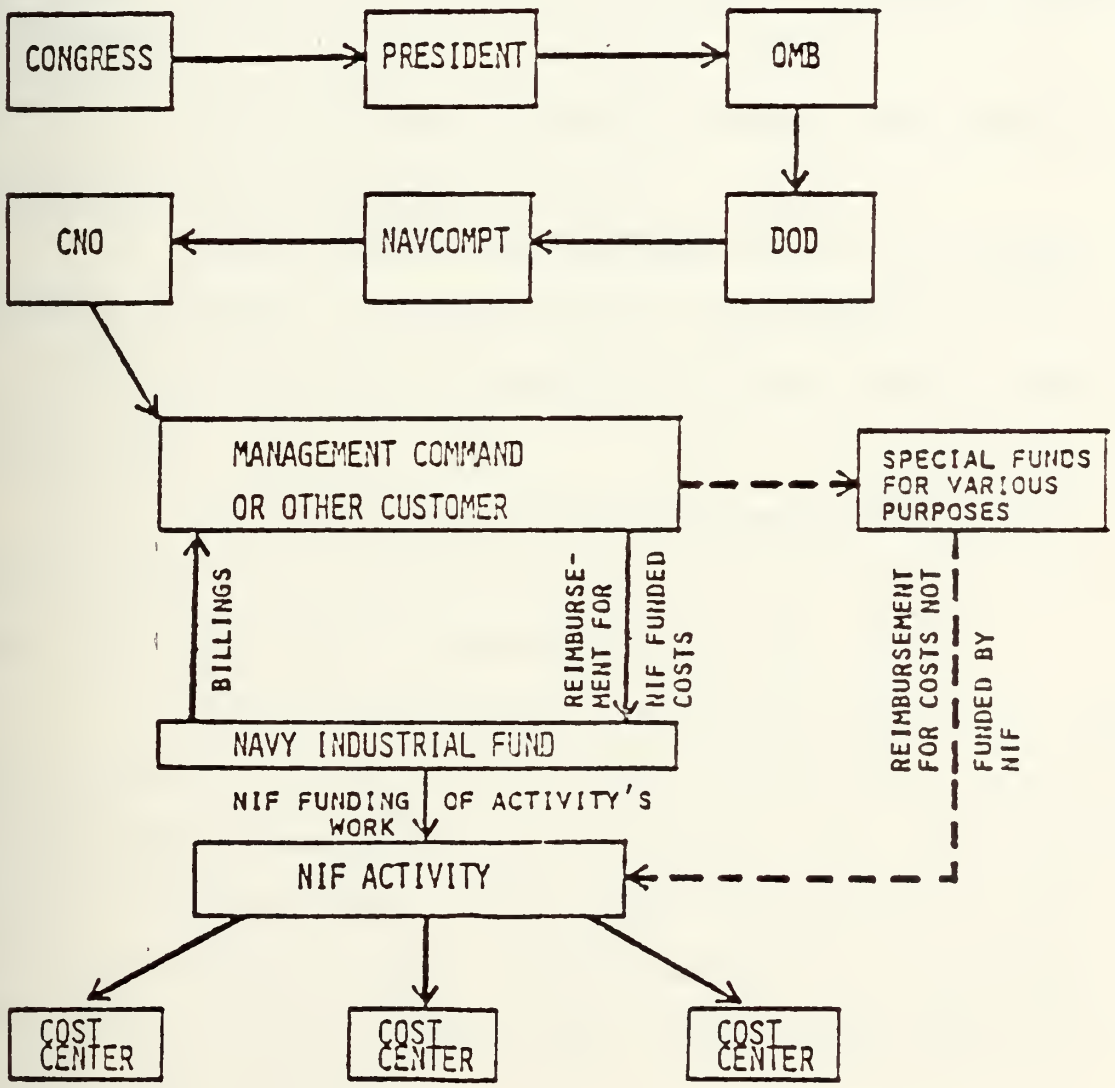

APPROPRIATED FUND FLOW
TO AND THROUGH NIF ACTIVITIES
CONGRESS
PRESIDENT
OMB
CNO
NAVCOMPT
DOD
MANAGEMENT COMMAND
OR OTHER CUSTOMER
SPECIAL FUNDS
FOR VARIOUS
PURPOSES
BILLINGS
REIMBURSE-
MENT FOR
NIF FUNDED
COSTS
REIMBURSEMENT
FOR COSTS NOT
FUNDED BY
NIF
NAVY INDUSTRIAL FUND
NIF FUNDING
WORK
OF ACTIVITY'S
NIF ACTIVITY
COST
CENTER
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Figure II-15

Such costs will not be recovered through the overhead rate of the industrial/commercial activity.

(2) Military personnel salaries are not paid by NIF customers.

(3) Depreciation costs related to government owned plant and equipment are also generally identified as "unfunded" costs which are not to be paid out of the industrial fund.

(4) Civilian disability compensation expense is paid by the Department of Labor.

(5) Rental of space under control of another command, activity or federal agency is not supposed to be paid by NIF activities, although in practice rent is sometimes paid.

(6) Capital investments greater than $1,000 must be made with appropriated funds obtained through the Major Claimant chain of command for the NIF activity.

Capital investments are depreciated statistically. These expenses, along with the other "statistical" costs discussed above, are charged only to private party and Foreign Military Sales customers. The money collected by the NIF activities in this manner is passed directly to the Department of the Treasury General Fund, rather than deposited in the NIF cash accounts.

As can be seen, while all costs are not passed on to all NIF customers, the elements of full costing are present and can be used for billing purposes if necessary. The NIF

activities, as a result of the full costing practices, can more accurately identify the total cost of doing business.

g. Financial Analysis

The Revenue and Costs Statement reflects the operation of the NIF activity in financial terms for the period covered, while the Statement of Financial Condition presents the financial position of the activity at a point in time. The data contained in these statements can be analyzed using methods common in the business world. Specific items to be considered during the review and analysis of the statements are discussed in paragraph 038373 of the NAVCOMPT Manual. Additionally, ratio analysis is an effective means of analyzing the financial condition of the activity. Techniques of analysis are discussed in the booklet, Knowing NIF, A Manager's Guide to the Navy Industrial Fund [see Bibliography].

h. Billing and Collection

NIF activities perform work for three types of customers: Navy activities, other DOD and federal agencies, and others (private contractors, local and state governments, or foreign governments). Because of the relatively small size of the NIF corpus and the high cash turnover which requires operation on a thin margin of cash, it is important that accounts receivable be kept to a minimum. Otherwise, operating capital is tied up in "work in process." This condition can be alleviated by the use of progress payments.

Customers are billed on three bases: fixed price, cost reimbursible, or at predetermined rates (for utilities, transportation, etc.). If the NIF activity determines that it can accurately estimate the cost of the work before starting, or before 50 percent of the work is completed, the job may be offered to the customer on a fixed price basis. The customer may accept the offer or reject it, if it is felt that the price is too high. If it is accepted, the customer will be billed the fixed price, regardless of actual cost incurred. If there is any uncertainty in scope definition or cost, the job is normally accomplished on a cost reimbursable basis. The customer is then billed for costs incurred by the NIF activity, up to the amount of the customer order. Except for foreign military sales, reimbursable bills are generally computed on the basis of manhours expended, multiplied by the stabilized rate in effect, plus materials used. The PWC may become involved indirectly in foreign military sales by providing services to activities such as Naval Air Rework Facilities which have foreign customers. This situation provides a difficult accounting problem for the PWC; because the NARF charges its foreign customers for overhead costs not normally charged to Navy customers, the PWC must also include these charges in its rates to the NARF. The PWC must account for such costs as depreciation and military salaries, and allocate these costs to the work performed by the PWC for the NARF.

There is considerable advantage to the customer who agrees to the performance of work on a fixed price basis: the known costs of the fixed price job are easily programmed; the agreement becomes a contract; and inefficiencies, material problems, etc., become the performing activity's responsibility.

Federal agencies are billed on a SF form 1080, which when signed and returned to the customer activity, becomes a payment voucher and initiates transfer of funds from the customer's appropriation to the NIF activity. Private parties are required to pay in advance of the work, as may other governments.

i. Reports

(1) Statement of Revenue and Costs. Specific requirements and instructions for preparing financial statements are included in a handbook issued by the Comptroller of the Navy for each type of NIF activity. A sample Statement of Revenue and Costs (income statement) is shown as Figure II-16. There are two items which NIF managers generally look for in this document: net operating results, which disclose whether the activity "made" or "lost" money during the period; and a comparison of the actual Statement of Revenue and Costs with the Projected Statement of Revenue and Costs formulated during the budgeting process.

(2) Statement of Financial Conditions. A sample Statement of Financial Conditions (balance sheet) is presented as Figure II-17. This statement can be evaluated in many ways including: analysis of the assets, liabilities and cash

NAVY INDUSTRIAL FUND ACTIVITY
STATEMENT OF REVENUE AND COST
FOR PERIOD ENDING 31 MARCH 198X

Revenue (various sources)			$3,364,748
Direct Costs		$1,931,194	
Labor	$1,317,524		
Material	545,484		
Other (incl. contr.)	68,186		
Production Overhead Exp.		466,842	
Labor	385,020		
Material	68,185		
Other	13,637		
General & Admin. Exp.		1,054,879	
Labor	840,095		
Material	85,232		
Other	129,552		
Total Costs Incurred			3,452,915
Less Cost of Items Mfd. for Inventory			(19,074)
Costs Incurred for Customers			3,433,841
(Increase)/Decrease Work in Process			(24,566)
Cost of Goods and Services Produced			$3,409,275
Operating Results			
Net Operating Results			(44,527)
Prior Year Adjustments			(2,228)
Adjusted Operating Results			(46,755)
Accumulated Operating Results-Beginning of Yr.			7,894
Accumulated Operating Results			$ (38,861)

Figure II-16

NAVY INDUSTRIAL FUND ACTIVITY
STATEMENT OF FINANCIAL CONDITION
AS OF 31 MARCH 198X

ASSETS		
Cash		$ 220,831
Accounts Receivable		150,929
Inventories		
Work-in-Process		1,893,317
Direct Material		72,149
Other Material & Supplies		143,766
Other Assets		18,077
Total Assets		$2,499,069
LIABILITIES		
Accounts Payable		$ 92,597
Accrued Expenses		352,641
Salaries & Wages	$ 59,608	
Other	152,488	
Leave	140,545	
Advances from Customers		175,374
Governmental Agencies	171,090	
Other	4,284	
Progress Payments		1,744,310
Reserves		44,506
Total Liabilities		$2,409,428
CAPITAL		
Cash Allocation (Net)		$ 185,769
Assets Capitalized Less Liabilities Assumed		(57,267)
Accumulated Operating Results		(38,861)
Total Capital		$ 89,641
Total Liabilities and Capital		$2,499,069

Figure II-17

posture, and an evaluation of the activity's liquidity; comparison with statements from earlier periods which will reveal trends in the activity's financial condition; comparison with the Projected Statement of Financial Condition developed during the operating budget formulation, which will disclose how well the activity did in achieving the goals; and comparison with statements from other similar activities of comparable size.

D. RATE STABILIZATION

1. The Problem [Schwirtz and Mullane, 1977]

In the past years, in a climate of stabilized economic conditions, it was relatively simple to determine that a certain number of ships required overhaul during a given fiscal year, and that a specific amount of work needed to be done. By applying the rates for services of the industrial activity that would accomplish the work, the total cost of each overhaul was determined and appropriate funds were budgeted.

As the economy began to experience rapid inflation aided by shortages in petroleum and other materials, the industrial activities attempted to keep pace by adjusting their rates upward to cover increased costs. The immediate outcome was that appropriated dollars were used faster than expected, and the end result was that fewer ships than programmed could be overhauled. This directly affected fleet readiness and proved to be embarrassing to the Navy when dealing with Congress.

Realizing the futility of achieving any change in the funding system through Congress and the tremendous loss in management control from any attempt to move the industrial activities away from the industrial funding concept, DOD managers determined that only two realistic alternatives were available: to continue to accept cost fluctuations to the appropriated funds and acknowledge that program goals might not be met; or, to use the NIF to absorb increases or decreases in costs.

As originally conceived, the NIF concept recovered all costs of operations on an annual basis. As a start-up mechanism, a working capital corpus was furnished to each NIF activity. As the corpus was depleted by paying salaries and other costs, it was replenished by customer payments for purchased services. By using traditional business accounting and management techniques, the activity attempted to operate on a break-even or zero profit basis by adjusting the rates it charged for services.

Rates changed very little during periods of stable economic conditions and by nature, the rates were stable. From this came the concept for the second alternative, rate stabilization, under which industrial activities would establish their rates far enough in advance to allow the customers to budget for the next fiscal year's work. The rates are then frozen for that fiscal year. Accordingly, an industrial activity has to forecast rates as much as nineteen months in the future. If unanticipated cost increases occur, the

"Gentlemen, I have good news and bad news."

(Martin, 1977)

industrial activity must operate at a loss, and this loss must be absorbed by the corpus. Furthermore, by the time a gain or loss is realized, the next year's rates have already been set. As a result, the initial year's loss is recovered in the establishment of the third year's rates. In effect, this extends the industrial fund operation from an annual to a triennial basis.

Overall, the policy of stabilizing the rate throughout the budgeting and execution phase should ensure the following: that customer activities obtain the number of units of output planned in the budget; and that industrial fund managers

devote closer attention to the rate development process and management of the overhead accounts.

Given the inherent problems of continuing operations during a period of double digit inflation, high level support for rate stabilization grew. In 1975, DOD issued a mandate that rates for all industrial fund activities would be stabilized during FY 1976, and that all customers would be billed on the basis of predetermined rates. The rate stabilization program was implemented in the Military Sealift Command in 1973, at Naval Air Rework Facilities on 1 July 1975, and at the PWCs (except for direct labor charges) on the same date. PWCs stabilized direct labor charges on 1 January 1976. All other industrial fund activities implemented rate stabilization on 1 October 1976.

2. The Process [Schwirtz and Mullane, 1977]

The mechanics of rate stabilization are relatively simple. Seven to nine months prior to the commencement of a given fiscal year, the industrial activity publishes a rate schedule for services it provides. Once established, this rate schedule cannot be changed by the industrial activity during that fiscal year. The customer activities then use this schedule to prepare their budgets for the fiscal year. If the customer receives all the funds budgeted for, then it can buy all the services planned because the cost of these services is fixed. If the customer receives less than budgeted, it can effectively manage knowing that the cost of services will not be changed during the year.

Under the industrial fund concept, the NIF activity provides a service to the customer, then bills the customer. The NIF activity uses the corpus to pay for expenses incurred, and then the customers' payments reimburse the corpus. Prior to rate stabilization, the NIF activity could control various rates throughout the year so as to adjust accounts to a zero year-end balance. After rate stabilization, the NIF activity must absorb any cost fluctuations within the corpus, establishing a break-even planning horizon for three years in the future. Since the customer rates established in the budget preparation phase are the ones that must be used during the execution phase, the activity manager must closely scrutinize all factors which may affect costs during this future phase.

NAVCOMPT Instruction 7600.23 of 26 July 1976 provides amplifying guidance on the rate stabilization process:

> "In developing and establishing rates, each activity will adhere to the principle of aligning rates to recover operating costs. An activity should devise a sufficient number of rates to ensure that the rate system is a reasonable model of the actual cost of performing the various categories of work or services covered by the rates. Stabilized rates submitted by the activities will be reviewed and adjusted by the activity group manager, to provide the necessary changes to offset the total prior year gains or losses thereby achieving zero profit and loss in the Accumulated Operating Results Account of the activity group. Gains and losses will normally be fully offset during the year following their occurrence, and will be reflected uniformly in the rates of the activity group. Changed conditions resulting from the Office of the Secretary of Defense review of the activity group managers' A-11 Budgets, and changes in the customer programs occurring during the budget review cycle will result in stabilized rates being again reviewed and additional changes made where appropriate."

Rates established for the NIF activities are expected to remain in effect for the entire fiscal year. Shipyard rates

will be in effect for the entire period of the execution of the reimbursable order (while the ship is in the yard), regardless of the number of fiscal years involved. Rates for non-ship work will change with the fiscal year.

Rate changes during the fiscal year are expected to be rare, and may be made only upon approval of the Assistant Secretary of Defense (Comptroller) (ASD(C)). The stabilized rates apply to all customers except for Foreign Military Sales. The ASD(C) has officially expressed intentions to finalize industrial fund rates for the budget year shortly after the Presidential budget submittal to Congress. Thus, FY 81 rates should be frozen during January or February 1980.

In a memorandum to the ASN(FM) dated 28 June 1976, the ASD(C) stated: "A review of the financial condition of the industrial fund within DOD shows that we can accommodate the unanticipated profits and losses without endangering the viability of the corpus." It is apparent that the intention is to move funds between activities to absorb fluctuations in prices and keep the DOD Industrial Fund balanced as a whole. These transfers of funds will be made first within an activity group (from PWC to PWC), then within the NIF from activity group to activity group (from PWCs to shipyards), and finally, within the DOD Industrial Fund from service to service.

PWCs, after the first year of operation with stabilized rates, showed a FY 1976 profit of $7.2 million from revenue of $352 million--about 2 percent; total operating capital for all

PWCs was $19 million. Internal to the PWC activity group, are included the extremes of $2.8 million profit at PWC Great Lakes and $1.7 million loss at PWC San Diego. Such wide variations are attributable to unexpected utility price increases in San Diego, and expected utility price increases at Great Lakes that did not materialize. All PWCs were able to estimate labor and overhead expenses with surprising accuracy.

3. Advantages

Perhaps if price fluctuations are inevitable, it is preferable for one NIF activity, or group of activities, to make adjustments, rather than to have numerous customer activities and their Major Claimants do the adjusting.

Overall, the rate stabilization program has been advantageous to PWCs and the MSC. One of the prime reasons is the reduction in work due to the absence of rate changes during the fiscal year. Formerly, PWCs made rate change decisions at the local level, and it was not uncommon to see two or three changes per year, complicating the billing and reporting processes.

Because of rate stabilization, NIF customers and Major Claimants are able to generate more meaningful budgets; there is less readjusting and reapportionment of the budgets during the year. At the local level, based on PWC and MSC experience, both the customers and the NIF activities experience a reduction in volume of paperwork.

4. Disadvantages

There are disadvantages to the concept of rate stabilization, of course. One of the original purposes of industrial funding in DOD was to give the local industrial commander flexibility and promote efficiency and effectiveness by allowing him to control the financial position of the activity. Rate stabilization causes a loss of management prerogatives at the local level in that rates cannot be adjusted during the fiscal year to minimize profit or loss. Any adjustments for purposes of meeting financial targets now have to be made internally (operationally) to the NIF activity through manipulation of the overhead functions. The shipyards have been accomplishing this through "program management," by varying the level of effort in maintenance, training, and other such overhead functions.

Traditionally, the commander of a NIF activity has been judged partially on the basis of how close the activity came to achieving zero profit/loss during a given fiscal year. Now, this basis of measurement must cover a three year period, since there will be "losses" one year to offset the "profits" of another, and vice-versa.

Other problems associated with rate stabilization include accurate anticipation of inflation, increases in purchased utility rates, fuel price increases, material price increases, and pay raises 12 to 24 months in the future.

The annual A-11 Budget submittal by NIF activities was historically viewed as a low interest level exercise.

Now the NIF activities have to live with the rates they submit in the combined A-11 Budget, as that is the source of the rate information at the Major Claimant, Department of the Navy, DOD, and CMB levels. The A-11 Budget must now be viewed as having increased significance.

Rate stabilization is expected to simplify the processes of budgeting and execution. Sustaining wide variances in operating revenues in the industrial funds should provide a significant means of reducing the impact on appropriations of unexpected price changes during the fiscal year. But this relief is not without its price; greater fluctuations in appropriation requirements between years may result.

The Spring 1976 "Report on the Study of DOD Industrial Funds for the Senate Appropriations Committee" found that, "The financial data generated under the industrial fund motivates management to be effective and efficient." Rate stabilization may destroy some of this motivation. Further, industrial fund working capital may come to be considered a "contingency" fund to be expended in an emergency situation without seeking congressional approval.

Finally, rate stabilization may tend to obscure the true costs of operating the military; disclosure of these costs was one of the original purposes of DOD Industrial Funding. Whether these costs are lost or not will be entirely dependent upon whether the quoted costs are based upon actual costs or upon stabilized rates which vary considerably from actual costs.

E. MODIFIED NIF ACTIVITIES

As might be expected, not all Public Works operations can be identified as departments, lead activities or centers. There are some activities which do not meet the criteria for establishment of a PWC, and which have a variety of tenant activities that are funded from a variety of different appropriations. These activities are considered to be "modified NIF" activities.

One example of a modified NIF activity is the Pacific Missile Test Center (PMTC), Point Mugu, California. The holder of the plant account, PTMC, is funded from the RDT&E appropriation; but there are many tenant activities funded from the O&M,N appropriation, such as the Naval Air Station and aircraft squadrons; and other military organizations and private contractors.

The funding for public works management functions is complex! As an organizational component of the Naval Air Station, the PWD is responsible for all facilities management functions as defined in Chapter I. The PWD operations are financed by a mixture of appropriated funds and the Navy Industrial Fund. The NIF was established for the various production functions which are accomplished by the activities located at PMTC; the PWD is a general expense center of the NIF.

Normal public works functions such as maintenance and repair of buildings, structures, roads, etc., are funded by a combination of appropriated funds and NIF funds.

The combination of funds is based on the population, and has been established as 60 percent appropriated funds from PMTC and 40 percent NIF. Because of the 60/40 funding split, the PWD workload may be limited by either of the two sources of money. For example, if production customers have sufficient money for NIF work, but the RDT&E appropriation is low, the amount of work is limited by the appropriated funds.

The PWD may also perform alteration and minor construction work on a 100 percent appropriated fund basis for PMTC, or on a 100 percent NIF basis for customer commands. In a similar manner, funding for Special Repair or Improvement Projects may come from two different sources. PMTC may provide appropriated funds for Special Projects, or NIF production overhead may be used for customer Special Projects.

The purpose of this section has not been to present a definitive discussion of modified NIF activities, but to note that such unusual situations do exist and that they pose unique financial and management problems.

APPENDIX A

COPY

DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON, D.C. 20350

IN REPLY REFER TO
OPNAVNOTE 5450
OP-44E
Ser: 3696P44

OPNAV NOTICE 5450

From: Chief of Naval Operations
To: Distribution List

Subj: Staff Civil Engineer/Activity Civil Engineer Functional Statements and Assignment Policies in Complexes served by Public Works Centers

Ref: (a) OPNAVINST 5310.5A of 30 Apr 1965, Staffing Criteria Manual for Activities Ashore
(b) OPNAVINST 1000.16A of 5 Feb 1969

Encl: (1) Staff Civil Engineer/Activity Civil Engineer Functional Statements
(2) Assignment Guidance

1. Purpose. To issue policy concerning the assignment of functions to Staff Civil Engineers (SCEs)/Activity Civil Engineers (ACEs).

2. Scope. Provisions of this Notice are applicable to shore (field) activities (which obtain public works services from PWCs) and to Public Works Centers (PWCs).

3. Information. Staff Civil Engineers are Civil Engineer Corps (CEC) officers who perform those Public Works Officer's functions listed in enclosure (1). As SCEs they are attached directly to shore (field) activities which receive public works support from PWCs when the volume and/or complexity of the support justifies full-time assignment of a qualified CEC officer for this purpose. Activity Civil Engineers are CEC officers attached to PWCs and designated by the PWC to perform the Center functions listed in enclosure (1) for supported activities.

4. Policy. Staff Civil Engineers shall be attached directly to shore (field) activities in all instances where full-time efforts of a qualified CEC officer are necessary to administer the volume and/or complexity of public works support required. If a shore activity is not entitled to a SCE, the Center will designate an officer to perform the SCE functions for that activity on a part-time basis. Under these circumstances, the officer of the PWC will normally be assigned additional duty to the supported activity for the performance of SCE functions since the bulk of the services provided will come directly from established organizational entities within the PWC, i.e., Maintenance Control, Comptroller, Engineering, etc. Enclosure (2) provides guidance on assignment policies.

5. Staff Civil Engineer Billet Requests. Shore (field) activities with a sufficient public works workload to justify the assignment of a Staff Civil Engineer, may submit manpower authorization change requests for the establishment of SCE billets. Since no additional billets or upgrades are available, requests for SCE billets are to be submitted via the Naval Facility Engineering Command for review, evaluation and recommendations concerning the availability of compensatory billets.

6. Action.

a. Pending revision of reference (a), Public Works Centers and PWC supported activities will utilize enclosures (1) and (2) as criteria in determining requirements for Staff Civil Engineer and Activity Civil Engineer.

b. Shore Activities affected by the above policy will submit requests for changes to the manpower authorization (OPNAV 1000/2) as required, in accordance with reference (b) and paragraph 5 above.

7. Cancellation. This Notice is cancelled when the above action is accomplished and for record purposes 31 December 1969.

L. G. BERNARD
By direction

ACTIVITY CIVIL ENGINEERS/STAFF CIVIL ENGINEERS FUNCTIONAL STATEMENTS

Staff Civil Engineers perform public works functions which are considered a direct responsibility of the shore (field) activity. These functions include but are not limited to:

1. Formulate the annual facilities management budget with the activity comptrollers.

2. Develop annual public works financial plan for Commanding Officer's approval.

3. Assist the activity comptroller with control of expenditures and review of fund status for adequacy in conformity with operating plan.

4. Coordinate, review, and approve the activity requests for public works services and assign the activity's priorities therefor.

5. Coordinate future expected work with PWC planning organizations.

6. Provide guidance and direction for station master planning and preparation fo LSR, BFRL, MCON, and Special Projects submissions.

7. Act as command representative in inspection of PWC/OICC work in progress and for acceptance upon completion.

8. Plan, coordinate, and direct the work of civilian staff made available to assist in the above function.

9. Routinely inspect facilities and initiate appropriate action.

Activity Civil Engineers perform functions which are considered a direct responsibility of the PWC as they relate to support of any particular activity for which an ACE has been assigned cognizance. These functions include but are not limited to:

1. Receive and review customer work requests.

2. Recommend performance method and schedule of performance.

3. Coordinate between customer and PWC shop to insure satisfactory completion of work.

4. Insure PWC receives customer workload predictions as far in advance as possible.

5. Participate in work scheduling within the PWC.

6. Coordinate contractor and PWC work effort.

7. Participate in planning and validation of the annual facilities inspection program and maintain facilities maintenance backlog by customer.

8. Assist the SCE in performance of his functions.

9. Provide technical advice relative to public works functions; recommend solutions to customer problems concerning construction, alteration, equipment installation, maintenance, and repair; provide preliminary cost estimates; and assist in the preparation of facilities projects.

ENCLOSURE (1)

ASSIGNMENT GUIDANCE

Shore Activity Billets - Staff Civil Engineers

Basic criteria for the assignment of a Staff Civil Engineer is that the public works workload is sufficient to require the assignment of a qualified CEC officer. Factors used in determining the rank of the billet are as follows:

1	CDR/LCDR	Each activity with annual public works expenditure greater than $3,000,000.
1	LT	Each activity with annual public works expenditure $1,000,000 - $3,000,000.

Public Works Center Billets - Activity Civil Engineers

1	LCDR	Senior ACE.
1	LT	Up to 3 activities; each with annual public works expenditure $500,000 - $1,000,000 or several with less than $500,000.
1	LTJG/ENS	Several activities; each activity with annual public works expenditure less than $500,000 or with a full-time SCE.

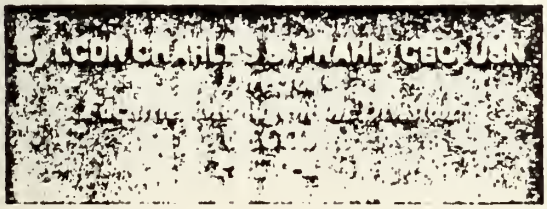
General Comments

1. The above criteria are considered guides only and it must be recognized that special conditions may result in modified requirements. For example, expenditures at certain overseas activities should be adjusted to compensate for area wage differentials.

2. It is anticipated that any requirement for more than one full-time person will be met through use of a combination of CEC officer and civil service personnel with no more than one CEC officer attached as SCE to any one supported activity.

Staff Civil Engineers

Are they doing the job originally intended?



• Port Hueneme, Calif

Consolidate and reduce overhead!

We in the CEC have heard this phrase often in the past several years and, like good sailors, we have indeed consolidated, especially in our public works business.

The best example of our efforts is the Public Works Centers (PWC). We now have nine of them, each replacing several public works departments (PWD). Established as separate commands, the centers provide plant management services on a reimbursable basis to naval activities in their vicinity.

Interesting thing, though, all those commanding officers who lost their PWDs in our consolidations continue to be held responsible for the material condition of their facilities. They continue to be funded by their bosses, the major claimants, to carry out this responsibility. Where once the commanding officer had his PWD staffed to make good plant management decisions and execute them, he now must deal with a PWC which does only what it is told to do and only what it is paid to do.

Not to worry, the command is told. After all, the CO of the Center proclaims himself as your Public Works Officer (PWO) and says his staff is your staff, ready to do your beckoning. He says this, of course, to scores of other commands and should one go to the Center with anything short of a white hot item, he can expect to be told to get in line.

Fortunately, NAVFAC recognized the need to provide at least major activities served by a public works center with some degree of facility management expertise. That is, NAVFAC elected to establish the billet of Staff Civil Engineer (SCE), a CEC officer assigned to the activity served. His job is to provide a command with experienced facility management talent to enable intelligent decisions on how to use its limited facility maintenance and operations resources to best advantage.

In brief, from the standpoint of looking up to the activity CO and out to his departments, the staff civil engineer is like a public works officer. The only difference is that when he looks down at his department, no one is there. He has to go elsewhere — usually to the PWC with dollars in hand and buy the services he wants. To quote an OPNAV Notice which formalized all this, "Staff Civil Engineers shall be attached directly to shore activities in all instances where full time efforts of a qualified CEC officer are necessary to administer the volume and or complexity of public works support required."

All this sounds keen.

Like many things, however, there are many difficulties. Let's discuss a couple. First, the fact that staff

. . . the author opines that things are not as good as they should be for the Staff Civil Engineer and offers a few suggestions . . .

civil engineers are assigned only to major activities (shipyards, naval stations, etc.) should make it apparent that experience in public works is mighty desirable prior to becoming an SCE.

In fact, there is a substantial number of SCEs who have no such experience, or have so little that it is of marginal value. Normally, these fellows are very competent junior officers and, in short order, are able to get things done through the PWC.

Facility administration, though, is a big business, requiring sophisticated management if one is to carry out his responsibilities to the command and to the taxpayer. Without any experience in the field, these officers may not easily appreciate what they should be doing. Oftentimes, the intensity of the job can be overwhelming. One becomes so busy battling paper work and crises that he has little time or inclination to attempt real management or to recognize that he is not managing but is performing as an 'in-basket' administrator. Rather, he deals with problems as they come in and perhaps enjoys the feeling that he is a big wheel on his base. Such a strategy will keep one busy enough, but it would be difficult to classify this as management. Getting things done is an accomplishment of administration. Getting the job done is an act of management and involves much more, such as identifying and assigning priorities to public works objectives and then achieving them within available resources.

One might legitimately question how well even seasoned PWOs do at this. If, with their experience and training, they still do poorly, how much lower the probability of someone without these benefits becoming an effective manager? Perhaps even a Henry Kissinger would have had a tough time pulling it off when he was twenty-four.

Further, the SCE has additional difficulties. One must remember that he must make PWO-type decisions. But where once there was a captain or so as PWO and an armada of other officers and staff to evaluate decision alternatives, there may now be an ensign or a lieutenant (junior grade) (LTJG) who can bounce his ideas off his clerk-typist. In this environment and without seasoning, poor decisions are not preordained—rather, the probability of them simply increases.

The job can be an exciting and rewarding one, but the author questions if we are properly serving either our customers or our junior officers by detailing to SCE billets, officers on their first or second CEC tour and without public works experience.

A second major problem with the billet is the hazy guidelines controlling it. The OPNAV notice referred to earlier was published in 1969. Further, as a notice, it expired shortly thereafter. Use that as a source of official guidance, and you may find yourself laughed off the court. Other than that piece of paper, there has been a vacuum of official guidance on the subject. NAVFAC says little about the billet, and many PWCs have formalized its responsibilities with internal instructions. Unfortunately, the chaps who walk around with stars on their sleeves, the fellows who will be the SCE's senior in command, are not terribly inclined to listen to directives issued by a Staff Corps.

The result is that the SCE lives in a free-float situation. In the experience of the author, it is a billet which is constantly undergoing reorganization as the incumbent, the CO and the other station power brokers attempt to agree on what piece of the action should go to the staff civil engineer. With frequent personnel turnovers, it becomes an issue never resolved.

Since there is no standard organization, and are no clear-cut responsibilities for the SCE, the author thought it wise to conduct a survey of opinions of those now serving in the billet. We identified 41 such officers and mailed a brief questionnaire to each, centering on his status in the command and his responsibilities. Thirty-five completed forms were returned.

Several responses confirmed this lack of organizational clarity. Said one officer, "SCE duties and responsibilities vary so much from command to command that the title does not identify the job." Adds another, "SCE functions and staffing vary throughout the Naval Complex."

Possibly the most interesting result of the questionnaire was finding that most SCEs feel very good about their job. The vast majority consider themselves to be the "PWO" for their activity, responsible for managing all facility matters. To quote an ensign serving at a major activity in the Pacific, "I am enjoying my tour as SCE both personally and professionally. I feel this billet is an excellent opportunity to learn all aspects of the PWC organization."

A couple of disturbing items, however, do appear. Only 77% of the staff civil engineers prepare the public works budget for their activity. Only 83% have the authority to commit budget resources in operations and maintenance (O&M) of real property (facilities and real estate). Of particular note, only 60% report directly to the CO/XO, and office staffing varies from 0 to over 40! It seems that at commands which believe in a conventional rank structure, our friendly SCE, who is normally rather junior, frequently finds himself buried well down in the chain of command with only limited authority and undefined staff.

Possibly a LTJG attached to a naval hospital best

(Continued on page 22)

Staff Civil Engineers

(Continued from page 9)

expresses this problem. In response to our questionnaire, he said, "I work for a lieutenant commander, Medical Service Corps, who works for a captain Medical Service Corps, who works for the CO/XO. Further, we have a GS-12 hospital engineer who supervises a work center of six PWC maintenance men. I have no line relationship with the engineer at all."

Though not disastrous, I would suggest that if the same percentages applied to PWOs, we would be witness to much discontent in their ranks.

Face it, seniority is part of the game. We play it, too, rigidly at times. Unfortunately, sometimes it is not appropriate. For better or worse, most bases spend the major portion of their O&M dollars on public works functions. Whether it's a lieutenant staff civil engineer or a captain PWO managing that function, the importance of doing it well does not change. The one who manages it should be organizationally close to the commanding officer.

Confusing rank with billet importance has long created problems for other public works managers. The PWO, for example, is normally relatively junior, making it sometimes more difficult for him to do business. Replace him with one far more junior, and the problem is aggravated. Remove policy guidance on how that individual fits into the organization and eliminate his staff, and matters can further deteriorate.

To digress briefly: The SCE normally has additional duty as an Activity Civil Engineer (ACE), a PWC billet. ACEs are normally responsible for serving as a facility management consultant for the PWC customer and acting as his advocate within the Center. Several SCEs commented that assignment to this second job was unwise as it forced them to try serving two masters: their command and the PWC. They recommended they not have ACE responsibilities.

Frankly, I disagree. The situation may not be ideal, but with our limited corps strength, it's doubtful if there will ever be enough officers to assign ACEs to assist commands which have SCEs. Thus, if the SCE wants to be able to delve into the innards of the center to find and push the right buttons to make good things happen for his command, he must be a part of the PWC organization. If he is not, he loses this access and must rely on command to command stuff every time he's got a problem with the PWC.

It's appropriate to point out here that the PWC succeeds only when it is satisfying its customer, thus the objectives of the SCE and the center are mutual. An adversary relationship simply shouldn't exist.

Unfortunately, reality often does not mirror theory. Real world problems can and do arise which can place the SCE in touchy situations, but it's doubtful that getting rid of his ACE hat would help him. It may even compound his troubles. Face it, it's not career enhancing to publicly throw mud at the Corps regardless of your chain of command. Cool will remain necessary.

To recap, I see two significant problems in the SCE billet:

- Detailing of inexperienced officers into a billet which parallels that of a PWO at a major installation.
- Lack of OPNAV guidance on the functions and responsibilities of the staff civil engineer, meaning one must depend on the luck of the draw rather than on an institutionalized organizational structure.

What to do? I would propose that there are three alternatives:

- Eliminate the billet and do it all with the ACE.
- Do nothing. Even the President admits life is unfair.
- Improve, at least incrementally, the problems discussed.

It's difficult to see any benefits in the first alternative. For one thing, it would further decrease the facility expertise at activities served by PWCs—hardly a way to improve our management of limited resources. It would also make the commanding officer more suspect of the PWC as a somewhat alien organization. Importantly, from a professional standpoint, the billet of SCE is normally considered a good one, and the ACE job is thought of as less desirable. Let's call this one the "Liberty is canceled until morale improves" alternative.

If we accept that the billet has some probelms, it is difficult to accept the second alternative. Yet it seems to be precisely the one we are pursuing. Junior officers have been squawking about the problems of the SCE for several years, but are still awaiting recognition. Possibly it's because the billet didn't exist at the activity level when our seniors were lieutenants, so they don't really empathize with the problem. Possibly they wish to avoid holy war with the line Navy. We, however, pride ourselves as managers. Here is a problem (opportunity?) which may have a manageable solution. We would be remiss not to pursue it.

This leaves alternative three. But talk is cheap. What specifically might anyone do to alleviate the situations? Here are a few ideas—

First, NAVFAC should establish firm guidelines for assignment of officers to the staff civil engineer billet. A recommendation is that any officer going to the billet should have minimum of 18 months public works experience or four years service in the CEC. Further, we would advise that the billet be filled by a lieutenant or above. (It may be appropriate to note here that these billets exist only at major activities. Smaller ones will not have an SCE but will rather receive assistance from an ACE.)

What about consequences? A more senior rank structure in the SCE business means a more junior rank structure elsewhere. To avoid controversy, we would suggest that there are opportunities within the public works business. It's interesting to note, for example, that a so-called "Module II" PWD rates three officers: a commander for PWO, a lieutenant commander as his assistant, and an ensign for planning. Should that activity be consolidated into a center, we would expect that the SCE would be at best a lieutenant, even though the responsibility for management of base facilities has changed very little. Further, without his own work force, he can no longer flex his muscles and get action. Now he must work with, needle, cajole, and threaten a separate organization, the PWC, to get even the smallest task accomplished.

It would seem reasonable to assign the lieutenant to the APWO billet and reserve the more experienced lieutenant commander for an SCE job. We meant it earlier, when we referred to the high level of talent in junior officer ranks. Giving these fellows the opportunity to exercise this talent, under the guidance of an experienced mentor, would certainly be a super opportunity for them to learn a fascinating business.

To keep our arguments in perspective, let's review what the rules say about these issues. Our oft referred to OPNAVNOTE 5450 (16 October 1969) says all SCEs should be a lieutenant or above. There is no allowance for more junior officers to serve in the billet.

Another interesting point: The CEC's Zero Base Study specifically states that no officer shall be assigned as staff civil engineer without prior public works experience.

The point is without a powerful advocate these grand statements were apparently overlooked in the competition for CEC talent and experience. A quick review of our questionnaires reveals that one-third of the SCE billets are filled by LTJGs and below. Further, a substantial number of the lieutenant staff civil engineers lack facility experience.

It is believed that the suggestion provides a realistic basis for improving the qualifications of the staff civil engineer. They're no more severe than those directed by OPNAV. They would certainly affect the rank structure of our Corps, but then there are good things and bad things about everything. In this case the good things about the ideas outweigh the bad.

Regarding our second concern, lack of official guidance on the role of the staff civil engineer, clearly the billet should be institutionalized. First, this will entail putting out a piece of paper—an OPNAV instruction, a change to Navy Regs—whatever. That's not our concern. Rather our concern is that an official document with the imprimatur of the CNO describe in some detail *who* the staff civil engineer is and *what* he is supposed to be doing for the command and *where* he belongs in the organization. This should be followed by something from NAVFAC outlining staffing standards.

This, however, will not be enough. We should keep our ears a little closer to the rail and remain more aware of what's happening at those activities with an SCE. Further, NAVFAC must be ready to go to general quarters if OPNAV guidance is flaunted and an SCE is relegated to an inappropriate role in an organization. All this may sound difficult, but it's no more than we should expect would happen if a CO started using his administrative officer as PWO and using his PWO as assistant airfield operations officer.

This is the real crunch. Are we willing to go to the mat over a LTJG?

We do not have enough officers to be all things to all people. If a CO elects to misuse the CEC talent made available to him, we should exercise the option of not staffing the billet and use that officer elsewhere in the Navy where his contributions will be more welcome.

The average SCE is quite aware of the current lack of policy concerning his billet. However, most have finessed themselves into a good billet. Others have not.

It's time to care about them.

More about

Staff Civil Engineers

By CDR GORDON W. CALLENDER, CEC, USN
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In an excellent and stimulating article in the winter 1977-78 issue of the *Navy Civil Engineer* LCDR C. S. Prahl portrayed the plight of the SCE. The article left me feeling that the SCE concept is ill defined; has problems, but works; and needs improvement.

The purpose of my reply is not to criticize his excellent article but rather to offer some additional thoughts and from a different perspective.

The 1969 OPNAV Note. This notice, long self-canceled, established the concept of the SCE. Why hasn't it ever been reenergized? Frankly, I don't know. I do know something about the *year* in which it was signed. Without considering the Corps as a whole just recall the SEABEES in 1969—20 plus battalions moving in and out of Vietnam, building a reputation as remarkable as those of World War II. Then remember the Corps—9 admirals and 2000 plus officers. It adds up to something that in recent years newscasters tell us has been lost by a number of elder Southern Congressmen. The "clout" that NAVFAC wielded in 1969 must have been well above that of the pre-Vietnam era not to say that of the present. Not only is the Corps below pre-war staffing levels, we are below zero base levels.

What all this is pointed toward is a question—under current conditions could NAVFAC "sell" OPNAV any document formalizing the SCE concept that would be of any value in the eyes of the junior officer who is the SCE? Recent news magazines portray the Navy's problems with shipbuilding contracts and the status of our huge and fabulously expensive carriers. Clearly, OPNAV is emersed in greater dilemmas than the concept of the SCE. LCDR Prahl mentions the possibility of a holy war with the Line. I submit that the Corps definitely should steer clear of a *jihad.* This type of infighting does no one any good and is definitely not in the interest of our real job—national defense.

Why does the SCE concept work? Despite the lack of Navy-wide guidance on the SCE concept it does work in varying degrees. On the surface this finding is surprising. It works for a number of reasons. The four reasons I list below are drawn from my knowledge of only one center (a limitation that is unfortunate); however, centers are managed under a corporate concept so many things have a way of being similar, and in any case all of these reasons deal with people.

• First, take the CO (the Mr. Outside of the PWC CO/XO team). A quick check of COs will point out who gets these jobs. The officers selected to be center COs are among the best the Corps has. Even if they were junior officers before anyone heard of a SCE they are flexible, experienced and very likely to empathize with the SCE—provided the SCE has access to them. Yes, let's keep the SCE with the additional duty as an activity civil engineer (ACE). The PWC CO has the horizontal contact with the SCE's CO that can produce the answer to many dilemmas the SCE may have. Thanks to the calibre of officers who fill SCE billets it won't be every problem the SCE faces that he will have to seek help on from the center CO.

• Another mentor/confidant for the SCE is the senior ACE (yes, let's keep the SCE . . .). Here is where the SCE can plug-in for that extra center effort necessary to get the job done or where the idea that wasn't appropriate to toss at the SCE's clerk typist can be tested.

• Third, consider the detailers. Like the COs of PWCs a quick check of past detailers tells you a lot about the quality of individuals selected to be detailers. Considering the plethora of regulations and restrictions that they must consider and still get the job done it's a real tribute to their ability that SCE jobs get filled as adequately as they do. Few of us non-detailers could do any better with the personnel juggling act than they do.

• Having mentioned the adequate manner in which SCE jobs do get filled brings me to the subject of the quality of the young officers I have had the pleasure of knowing in their SCE/ACE roles: my fourth reason why the SCE concept works!

As an example, take the SCE at the Naval Hospital (LCDR Prahl's example) who worked for a LCDR, who worked for a captain who worked for the XO who worked for the CO. Considering the echelon of this command you might guess the CO was a Rear Admiral. Thus the distance away from the CO was a little more understandable. In fact, this SCE has significant influence in the whole facilities program for this hospital. In addition, even though seemingly far removed from this CO, the SCE has direct access to him on a regular basis. Finally, because of a reorganization in January 1978 the GS-12 engineer mentioned works for the SCE. My point in going over these items is that what may sound awful from the standpoint of access to the CO may prove to be more than adequate both functionally and in terms of reward for the SCE. The success of this particular relationship resulted from the fact that the two officers who have most recently filled the billet have been capable organizers and managers, typical of the young officers who are detailed to SCE billets.

Is the effort to institutionalize the SCE concept with a new OPNAV document worth the result or the risk?

Consider the picture LCDR Prahl paints and how we might retouch it: The SCE has to serve two masters (because of his ACE hat); he frequently

(continued next page)

(Continued from preceding page)

lacks prior experience in public works matters; and both he and his primary duty boss need OPNAV guidance in how he should be used. From a review of my tally sheet I'd call the ball game like this:

Retain the ADDU duty as an ACE; the plusses far outweigh the minuses.

It is unrealistic that every SCE job get an officer with 18 months public works experience or four years in the CEC, or a LT (or above). Why not let the detailers do their best to continue to place exceptional young officers in SCE jobs? After all, the SCE concept is working and most SCEs find their job rewarding. I submit the detailers and the Corps probably have other problems and don't need such inflexibility as the limits described above could impose.

In the military service the CO is the ultimate manager. He needs flexibility. The SCE needs room to exercise initiative and judgment. Centralized control and standardization on a world wide scale is great for many things, but I submit the Corps needs to be very careful in how it is applied to the SCE concept. Furthermore, we do not need the threat of a *jihad*.

In summary, our Corps is small and, like another famous Corps, (whose regiments sing of Montezuma and Tripoli), elite. As a result we get top young people into our ranks. Those who make it to captain under current staffing levels have survived a rugged competition. When one considers that the SCEs, detailers and PWC COs are the tops of what is already a select group it becomes apparent that we may not be able to do too much better.

All in all it seems to me the SCE concept, currently functional in many ways in many places, rewarding to most officers who are SCEs, has a net positive score and deserves long and serious consideration before it is rigidly remolded into a tight neat little institutionalized package.

Finally, a public commendation to 'Kip' Prahl for candidly discussing a sensitive subject.

SCEs or PWOs?

By LCDR RICHARD H. RICE, JR.
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With regard to *Staff Civil Engineers* I would make two points—there should be more of them and they should be called *Public Works Officers*.

The "Dillon Board" in 1968 made several key recommendations pertaining to Staff Civil Engineers (SCEs) and Activity Civil Engineers (ACEs) and I quote:

"The merging of command and support calls for a re-examination of the staffing of PWCs with ACEs . With commands being responsible for obtaining their own support, with increased fund flow through command, many commands have expressed a need for Staff Civil Engineer on their rolls. Such an assignment would replace the ACEs and should enable the command to develop better execution plans (to the benefit of the centers) and would result in greater command confidence. Thus, the Board concludes that the concept of ACEs should be revised and that some officers should have primary duty as Civil Engineers on the staffs of the major supported commands."

The CEC Zero Base Study recommended that the SCEs be assigned to more activities served by PWCs and that the number of ACE billets be reduced accordingly. Specifically, the Zero Base Study recommended ACE staffing for the 9 PWCs of a total of 34 officers: 9 Lieutenant Commanders, 18 Lieutenants, and 7 CWO 3/4. The P-1 of Summer 1977 indicates 45 officers (8 1 CDR, 20 LT, 8 LTJG, 8 Ens, 1 WO2) billets are presently identified as ACEs or 33% more than the Zero Base Study. It is apparent that the recommendations of the Dillon and Zero Base Studies have not been adopted!

Another concern discussed in the Zero Base Study was that Staff Civil Engineers should increase emphasis on planning. The key to future success in Real Property Maintenance Activity (RPMA) funding is getting your oar in early. Planning must be done at the activity level so that OP-44 will have the input for the Program Objectives Memorandum (POM) budget drill.

How many ACEs are involved in activity level RPMA planning—how many know what a Facilities Management Budget Exhibit contains? How many are knowledgeable of recent changes in AIS format—and that BEMM is "out" and BMAR Category I nondeferrable is "in"? The maintenance of the activity in FY-80 depends on today's input.

Lest we members of the ever shrinking CEC forget, RADM Dillon in his 1968 report stated, "Corps image can be described as our service reputation, or how we corporately appear to others—or how we think we appear to others."

The COs and XOs of the operating forces we serve know our Corps as Public Works Officers—and we have established a reputation over the 100 plus years of our existence as being *the* source of shore support. When a ship in port or activity department head has a problem, he can rely on the old adage "Call Public Works."

How many line officers, especially those who have spent most of their careers at sea, have ever heard of the Staff Civil Engineer—or the Facilities Management Office? In fact, many activity COs with SCEs assigned introduce their officers as "my Public Works Officer."

There is no need to create a new SCEMS (Staff Civil Engineer Management System). If an activity has RPMA bucks they should be managed by a CEC *Public Works Officer*. His or her duties should be codified in a NAVFAC publication (possibly P-318) and as a minimum should include: a requirement to report directly to the CO/XO; guidance on civilian staffing; and a requirement that the PWO budget for and commit RPMA funds.

Heresy, you say—not so. For those who have not looked closely at shore activities lately be advised they are bruised and bloody from vertical cut after vertical cut through regionalization. Not only the old wounds from loss of Public Works, medical, dental, disbursing, communications, data processing, etc., but now IDA (integrated disbursing and accounting) looms to take more out of the comptroller.

The Staff Civil Engineer in many cases now manages the only non-labor dollars around. Why is this any less difficult because he has no blue collar work force? And speaking of that blue collar work force—now that they have been grouped together for efficient operations—the commercial/industrial program is fast shrinking their ranks. At the end of the tunnel will not the CO of the PWC merely be a large Staff Civil Engineer/DICC—what then?

Changing the title of a CEC officer from SCE to PWO may not give him any more experience, or solve the myriad of other problems—but it is a start. If nothing else it will serve as a constant reminder to NAVFAC that their sales force needs and deserves NAVFAC support.

At San Diego:

Strengthening the Activity Civil Engineer

By LCDR J. G. PALMBORG, CEC, USN
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● San Diego, Calif.

As a consolidated organization, the Navy Public Works Center (PWC), San Diego, provides complete public works service to all naval activities within the San Diego area.

These customers range from large to small; from major property holders with millions of dollars for maintenance of real property (MRP); to small one-office tenant commands with very few dollars.

The relations between PWC and the customer are provided by either a staff civil engineer (SCE) an officer assigned to the major command, or by an activity civil engineer (ACE) located within PWC. Based on actual fiscal year figures, the customer commands served by the five ACEs at PWC, San Diego, represented 52 percent of the total PWC workload or approximately $52 million worth of purchased services.

With such a huge volume of work, the Center's ACEs have, in the past, devoted most of their time expediting work. Expediting, as such, included reviewing and processing work requests, coordinating proper funding, monitoring work request processing, continuing checks on status, material procurements, and troubleshooting. These time-consuming actions were devoted to the in-house PWC system and commenced only upon the initial action by the customer.

PWC ACEs Lt Paul Olszewski (standing) and Ens. James Gustafson confer on plans for a Center customer.

The ACEs greatly assisted work request processing, but did not serve to strengthen the PWC organization. More importantly, the use of junior officers for expediting work requests did not use their full capabilities nor did it improve overall customer guidance.

A program has now been established to remove the ACEs from the day-to-day work expediting and allow them to provide true public works officer consultation to customer activities. Included would be facility planning and programming, special or military construction (MCON) project development, effecting facility maintenance plans, and other consultation.

In executing the program, two problems had to be overcome. These were breaking the traditional ACE role as troubleshooter on work request problems, and, providing more training for the ACEs.

Internal procedures now have been strengthened and developed to allow the production management system (PMS II) procedure to run on its own. The ACE now provides closer contact between the customer and the Public Works Center by establishing milestones for jobs and requesting feedback information from the various processing points within PWC.

Based on enhanced two-way communication, the ACEs can provide improved liaison in negotiating job starts and completions.

An active training program has been developed to include formal training, such as the Civil Engineer Corps Officers School (CECOS) at Port Hueneme, and informal training which includes briefing sessions with PWC and SCE personnel. These sessions involve subjects such as the Annual Inspection Summary (AIS), budgeting, maintenance requirements, contract administration, special projects, minor construction projects, and planning and programming.

The program has endeavored to provide basic information and knowledge to each ACE concerning all the facets of public works functions with which they will become involved. It provides fundamental background for laws and regulations associated with daily business.

The program has been concentrating on building a strong, personal relationship with each customer activity. Specific actions have included obtaining knowledge concerning the mission, functions, and various facilities owned and operated by the customers. The end product includes gaining the customers' confidence in the ACEs as the maintenance and repair experts.

Gathering of customer information (i.e. budgets, long-range plans, annual inspection summaries, dollar volume of PWC services, history of business, master plans, etc.) provides a basis for developing maintenance plans advising the customer of long-range major maintenance actions that will permit advance budgeting.

The end result of this program is to develop a stronger work processing system within PWC San Diego for work expediency and improved overall facility service.

And, finally, it will provide maximum utilization and training of junior CEC officers for future development and responsibility.

The program was started just a few months ago and still has a long way to go. But improvements are being observed, both internal and external to the Center. The role of San Diego activity civil engineers is changing.

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CHAPTER III

REAL PROPERTY MANAGEMENT

A. REAL ESTATE LIFE CYCLE----------151

1. Background---------- 151

2. Acquisition---------- 152

a. Planning---------- 152

b. Authorization---------- 152

c. Acquisition Processes---------- 153

3. Utilization---------- 155

a. Policy---------- 155

b. Real Property Surveys---------- 156

4. Disposal---------- 157

a. General---------- 157

b. Report of Excess Property---------- 158

c. Methods---------- 158

d. Approval---------- 158

e. Custody---------- 159

5. Base Closures---------- 160

B. REAL ESTATE USE AGREEMENTS---------- 161

1. Ingrants---------- 161

a. General---------- 161

b. Lease---------- 162

c. Lease Construction---------- 163

d. Permit/License---------- 163

e. Easement---------- 164

f. Public Lands or Domain----------164
2. Outgrants----------164
a. General----------164
b. Outleasing----------165
c. Licenses----------166
d. Use Agreement----------167
e. Host-Tenant Real Estate Agreement----------167
f. Easement----------168
g. Special Uses----------169
3. Support Agreements----------171
a. Host-Tenant Relationship----------171
b. Responsibilities----------172
c. Interservice Support Agreements----------172
d. Intraservice Support Agreements----------173
e. Host Activity Responsibility----------173
C. REAL ESTATE MANAGEMENT----------174
1. Real Property Inventory----------174
a. Background----------174
b. Property Records----------174
c. Responsibilities----------175
d. Category Codes----------175
2. Historic Structures----------179
3. Encroachment----------181
a. Problem----------181
b. Policy----------182
c. Responsibility----------183
4. Jurisdiction----------184

5. Annexation----------185
a. Policy----------185
b. Authority----------186
D. NATURAL RESOURCES MANAGEMENT----------186
1. Policy----------186
2. Natural Resources and the Mission----------187
3. Responsibilities----------188
a. Naval Facilities Engineering Command---------188
b. Engineering Field Divisions----------188
c. Activities----------189
4. Forest Management----------189
a. Management Program----------189
b. Timber Harvesting----------190
5. Fish and Wildlife Management----------191
a. Plans----------191
b. Fish----------192
c. Wildlife----------193
6. Soil and Water Conservation----------193
a. Plans----------193
b. Construction----------194
7. Conservation Awards----------195
a. Background----------195
b. Nomination----------195
8. Coastal Zone Management----------196
a. Policy----------196
b. DOD Policy----------196
c. Compliance with CZM Act----------197

d. Local Responsibility----------198
9. Ecological Reserves----------198
10. Protection of Endangered Species----------199
11. Protection of Wetlands----------200
APPENDIX A: Executive Order 11954----------201
APPENDIX B: OPNAVINST 11011.10 B----------203
APPENDIX C: NAVFAC Form 11011/24----------218
APPENDIX D: NAVFAC Form 11011/22----------220
APPENDIX E: NAVFAC Form 11011/29----------225
APPENDIX F: Host-Tenant Real Estate Agreement----------227
APPENDIX G: Intraservice Support Agreement----------229
APPENDIX H: NAVFAC P-164 Excerpts----------237
BIBLIOGRAPHY FOR CHAPTER III----------242
SUGGESTED REFERENCES----------243

III. REAL PROPERTY MANAGEMENT

A. REAL ESTATE LIFE CYCLE

1. Background

The term "real property" encompasses all buildings and structures of a Naval shore activity and the land upon which those facilities are built. The purpose of the Navy real property management program is to obtain maximum utilization of the real estate and improvements thereon. The purpose of this chapter is to consider principally the policies and procedures for management of the land or real estate. The procedures for planning and acquiring buildings and structures are covered in the chapter on Shore Facilities Planning and Programming.

The extent of the Navy real property management program is indicated by the following statistics [Boslego, 1977]:

> The Navy and Marine Corps control nearly as much land as is contained within the state of New Jersey.
>
> The Navy real estate contains 110,000 buildings with total floor space of 663 million square feet.
>
> There are some 183,000 items of real property, with an estimated value of $53 billion; this dollar value is close to the combined total assets of Exxon and General Motors.

The real property or real estate life cycle includes three phases: acquisition, utilization, and disposal; each of these phases will be discussed. The procedures involved in acquisition or disposal of large parcels of land, such as for construction of a new activity, are seldom encountered

by the Public Works Officer. The majority of public works real estate actions concern the utilization phase--surveys and use plans, granting or gaining use of real property, and management of assets.

All real estate procedures are discussed in detail in NAVFAC P-73, Real Estate Administration.

2. Acquisition

a. Planning

Planning for acquisition of the real estate needed to support a new activity or a new requirement is accomplished through the Shore Facilities Planning System. The real estate acquisition requirements are based upon approved military missions or upon the need to protect the government interest in existing property. Acquisition actions are executed by the geographic NAVFAC Engineering Field Divisions. Primary tenets of all real estate acquisitions are that they be accomplished with minimum impact on the economy of the civilian community; that the rights of private property owners be respected, and that damage to them be minimized.

b. Authorization

(1) Land Planning Report. The first step in the acquisition authorization is preparation of a Land Planning Report by the EFD. The report provides recommendations of specific boundary lines, interests to be acquired, whether or not mineral rights should be purchased, and other pertinent matters, together with an estimate of project costs. Upon approval by NAVFAC, the land planning report is used

as a support document in seeking acquisition authorization [Woods, 1977].

(2) Approval. Projects to acquire land of value not less than $50,000 may be approved by the Secretary of the Navy, subject to the restrictions that the project must be complete (rather than an increment of a larger project), and be funded from the O&M,N appropriation. Projects to acquire land of greater than $50,000 value must be authorized by Congress through either Military Construction Navy (MCON) or Special legislation. Under the MCON process, a military construction project is developed through the shore facilities planning system; Special legislation is a bill introduced by a Congressman directly to the floor of Congress. Pursuant to 10 USC 2662, after acquisition has been authorized by Congress, and after the purchase or exchange has been negotiated, the project must be taken back before the House and Senate Armed Services Committees for final approval.

c. Acquisition Processes

(1) General. Upon approval and funding of a proposal by either the Congress or SECNAV, several legal and administrative procedures may be employed to acquire the new land and/or other facilities. Within the Navy Department, NAVFAC is the central agency empowered to coordinate acquisition actions. However, the procurement actions are usually conducted by the EFDs. The Commanding Officer of a shore activity has no authority to procure real estate [CECOS, 1979].

(2) Purchase. Direct purchase is the preferred method of acquisition. It is accomplished by negotiation based on a fair market value for the property. The fair market value is usually established by private appraisal. Fee simple (complete ownership) interest in the land is generally acquired when: a long-term requirement exists; permanent construction is planned; restoration cost exceeds value; cost of lesser interest approaches fee value; and contemplated use will result in contamination that is expensive or virtually impossible to decontaminate [CECOS, 1979].

A written offer to purchase is made to landowners within the project area based on the approved appraisal. Public Law 91-646 governs how the offer is tendered and requires that a summary of the essential elements of the appraisal be furnished with the written offer. The law requires that the original offer must not be less than the agency's approved appraisal of the property.

Negotiators of the EFD Real Estate Division conduct negotiations with landowners until either a signed purchase agreement at an acceptable price is obtained or negotiations prove unsuccessful and are terminated. If the negotiation ends successfully, updated title evidence is obtained and the EFD counsel effects the closing [Woods, 1977].

(3) Condemnation. If negotiations fail or if the title to the property cannot be cleared, a condemnation assembly is forwarded to NAVFAC for approval by SECNAV. Upon concurrence, the file is sent to the Department of Justice

requesting that condemnation proceedings be instituted. The Department of Justice files a condemnation together with a Declaration of Taking through the local United States attorney. The amount of the Navy's appraisal is deposited with a Federal Court and title to the property passes to the Government at the time the Declaration is filed. The determination of just compensation may remain for later trial unless settlement is made through the Department of Justice [Woods, 1977].

(4) Exchange. Under this method of acquisition, the General Services Administration (GSA) negotiates a land exchange using excess federal property to acquire land needed by the Navy. If the value of the lands to be exchanged exceeds $50,000, the Navy must obtain the approval of the Armed Services committees. Additionally, the Navy land to be exchanged must be of equal or higher value than the non-federal land, since the difference in dollar value may be paid to the federal government but not vice versa. Land exchanges also require a willing land-holder who is agreeable to the exchange and agrees with the Government on the value of lands to be exchanged [CECOS, 1979].

(5) Transfer. Property that is excess to the needs of another military service, or other federal agency, may be transferred to the Navy. This procedure may involve GSA and Congressional concurrence in certain cases [CECOS, 1979].

3. Utilization

a. Policy

The federal government and the Navy in Particular hold vast amounts of real estate which are costly to maintain and control. If the local command determines that land is excess to its needs, the land may be reported through the excess facilities plan of the shore facilities planning system. The local recommendation is staffed through the chain of command to the Chief of Naval Operations for approval. However, it is noted that activity commanders historically have been reluctant to release any land that is under their control because they always have plans to do something with it!

There has been increasing pressure on the federal government to release control over many federal tracts which were once isolated but which are now surrounded by commercial and industrial development, or which contain valuable natural resources. The federal land has become increasingly attractive to local and state governments and to corporate and private interests, which desire to develop and utilize the property. The President has issued Executive Order 11954, Appendix A, for the purpose of establishing an outside agency evaluation of real property utilization in each federal agency.

Executive Order 11954, which superseded and cancelled Executive Orders 11724 and 11508, tasks the GSA with conducting surveys of real property held by federal agencies and making reports to the President through the Federal

Property Council. The reports are to describe any property which in the judgement of GSA is either not utilized, underutilized, or is not being put to optimum use, and which GSA recommends be reported excess. In addition, DOD and Navy Inspector Generals have conducted real property surveys under provision of Executive Order 11954, and reported their findings and recommendations relative to the utilization of real property to the Office of Management and Budget. The result of the surveys is to remove from Navy inventory those lands and improvements that are no longer needed. This can and does result in some savings to the Navy in that there is no need for maintenance of the unneeded properties.

Department of the Navy guidance for all matters related to utilization of real property is provided in OPNAV Instruction 11011.10. Because of the importance of this subject to PWOs, the Instruction is provided as Appendix B.

b. Real Property Surveys

(1) Local Surveys. Each activity holding Class 1 (land) or Class 2 (buildings) real property must conduct an annual utilization review to identify property that is not utilized, underutilized or not being put to optimum use. The surveys are reviewed by the Major Claimants and submitted to CNO.

As part of the survey, each activity is required to maintain an activity utilization map which by means of labels and color coding identifies the status and present use of all land areas.

(2) DOD Surveys. In the past, on-site surveys have been performed by both DOD and Navy Inspector Generals, but at present such surveys are not required in consideration of the level of GSA and local surveys.

(3) GSA Surveys. Every Navy activity must expect and be prepared for a GSA survey--either informal or formal. Prior to a formal survey, a local GSA office may conduct a "windshield" tour in order to decide whether a formal survey is required. The notification of such a survey may occur only a few hours in advance, or at most a few days! Despite the short notice, the informal survey is of vital importance to the activity because it may determine whether a formal survey is justified.

Notification of formal surveys is given about 30 days in advance. The command must cooperate with the GSA survey team by providing maps and real estate data, and providing access to the activity. In order to avoid erroneous evaluations, GSA teams should be briefed on the activity mission and the facilities required to support that mission, and given a complete tour of the real property.

4. Disposal

a. General

Class 1 or Class 2 real property which has been determined to be excess to the needs of the Navy as a result of either the shore facilities planning program or a GSA survey becomes available for disposal action. It is the policy of DOD that real estate holdings be kept to the minimum

required to accomplish the assigned mission. Prompt disposal is to be made of all property not required to support current or projected mission.

b. Report of Excess Property [CECOS, 1979]

Reports of excess property must be submitted to the EFD. The reports are subject to the approval of the appropriate support command and the Major Claimant. Excess property is to be reported on the forms described below. Examples of the forms and instructions for preparation are contained in NAVFAC P-73.

1) SF 118, Report of Excess Real Property: This report summarizes the excess and related personal property.

2) SF 118A, Buildings, Structures, Utilities and Miscellaneous Facilities: This report describes the Class 2 property reported on SF 118.

3) SF 118B, Land: This report is used in all instances to report the details of excess land reported on SF 118.

4) SF 118C, Related Personal Property: This report lists the details concerning the excess related personal property, Class 3.

c. Methods [CECOS, 1979]

Real property no longer required to fulfill an assigned mission may be: reassigned within the Navy; transferred to another service; reported excess to GSA, and thereafter transferred to federal civilian agencies, or disposed of by competetive bidding or negotiated sale; or abandoned, destroyed or donated to public bodies.

d. Approval [CECOS, 1979]

Authority to dispose of government owned real property is derived from the Federal Property and Adminisistrative

Services Act of 1949. The GSA is the disposal agency for all land and improvements with a fair market value of $1,000 or more. The authority has been successively delegated to NAVFAC for disposal of Navy real property.

The EFD screens all excess Class 1 and 2 real property that has not deteriorated beyond economical repair in order to determine if there are any potential users of the property. This screening process ordinarily proceeds simultaneously within and without the Navy.

Naval activities desiring to obtain excess real and related personal property from Naval activities other than their own command should submit requests to the EFD outlining the requirements for the property. The EFD then obtains the necessary approvals to effect the reassignment.

Disposal by transfer to the Army, Air Force or Coast Guard, or report of excess to GSA on real property having a value of $50,000 or more, requires the approval of the Armed Services Committees of Congress. Prior to reporting property as excess to DOD, the EFD will obtain requisite additional approvals from CNO, DQD and the Armed Services Committees.

e. Custody [CECOS, 1979]

The reporting activity is responsible for physical security, maintenance and repair of excess and surplus real and related personal property pending its reassignment, transfer or disposal. The activity is also responsible for the expense of such care for not more than 12 months, plus the

period to the first day of the succeeding quarter of the fiscal year after the date of acceptance by GSA of the formal report of excess. Any expenses incurred by the activity after that time are reimbursed by GSA. It is noted that excess property is not "transferred" to GSA; it is "reported" to that agency for disposal action; the responsibilities cited above remain with the Navy.

Real property, once reported as excess property, must not be cannibalized or altered by the removal of fixtures, equipment or related personal property.

When disposal action has been completed, the activity copy of the property record should be forwarded by transmittal form NAVCOMPT 260 in accordance with the provisions of NAVFAC P-78 [CECOS, 1979].

5. Base Closures

Occasionally an entire military base must be closed as the result of shore facilities realignments, organizational changes or program terminations. The closure and disposal processes are quite lengthy and create a significant economic impact upon the local community. The President's Economic Adjustment Committee has been established to assure that federal resources are available to help with the resulting economic difficulties. The Defense Office of Economic Adjustment (OEA) serves as full-time staff to the committee.

OEA representatives work closely with state, county and local leaders in assessing a closure's impact and developing a strategy for economic recovery. Ideally, the recovery

plan is a blueprint not only to lessen immediate adverse impact, but also for long range growth through creation of a balanced economic base. The committee and its staff speed federal actions to assist converting base assets to civilian pursuits. Interim leasing of closed installations to communities is authorized for uses outlined in the recovery plan. This leasing allows communities to attract job-producing commerce and industry quickly to existing and often attractive facilities [Robinson, 1976].

Activities involved in a base closure or reduction, and especially the PWOs in close coordination with the Real Estate Division of the EFD, must be involved in forming the economic recovery plan as well as implementation of leasing in support of the plan. This is especially true where a base is not completely closed and the military must continue a mission [Robinson, 1976].

B. REAL ESTATE USE AGREEMENTS

1. Ingrants

a. General

The acquisition process discussed in Section A, above, provides complete land ownership to the Navy. There are frequent instances where ownership is not desired or is not feasible; in such cases, other processes are used to acquire an interest in or right to use land. DOD policy is to prohibit construction of permanent facilities on land which is not held in fee or permanent easement. Specific policy provisions are provided in NAVFAC P-73.

b. Lease

Real property may be leased for a specific consideration and for a specific period of time. Acquisition by lease may be considered when: the location of the leased property is vital to the performance of an activity's mission; no suitable government-owned real property is available at the location; the cost of altering, renovating, rehabilitating and repairing available government property is out of proportion to the cost of acquiring leased property.

In urban centers, leasing of general purpose space must be effected solely by GSA and at rental rates based on standard level user charges. Leasing of special purpose space for wholly or predominantly single purpose use is accomplished by the Navy. Elsewhere, the Navy leases whatever type of property is needed. Whenever possible, competetive procedures are used to obtain real property for Navy leasing.

A lease authorizes exclusive use for a firm period. It may be terminated by the government on 30 to 90 days written notice. The usual period for giving notice of termination is 30 days; however, a longer period can be authorized if justified.

In recent years Congress has taken an increased interest in leasing programs. Leases with a value in excess of $50,000 require approval of the Armed Services Committees of Congress. Congress has also placed limits on some specific lease actions, such as rental of trailers for office space,

in order to prohibit long-term leasing costs which exceed the cost of acquisition of permanent facilities.

c. Lease Construction

This form of acquisition of interest in real property may be used to meet a requirement for new facilities for an expected short time period. One example of this process was the expected 2-3 year homeporting of Navy ships in the Mediterranean area. Many of the facility needs in the selected locations were met by leasing existing buildings; however, many other facilities such as piers, commissaries, exchanges, housing, and schools were not available.

Turnkey construction procedures are used under the lease construction concept. The Navy request for proposal describes what is needed, lists lease terms, specifies materials and design parameters. The contractors bidding on the job must then lease the property and construct the desired facilities.

d. Permit/License [CECOS, 1979]

A permit or license grants temporary privileges to the government. They are not assignable, and do not grant any estate in the real property. They are revocable at will by either party.

Permits or licenses are used to obtain rights-of-entry for various purposes; rights-of-way where statutes prohibit granting easements; pole attachments; obstruction lights or markers; sewer connections; railroad and highway crossings; and for other short term or temporary uses.

e. Easement

An easement grants a right to use property for specific purposes. It implies an interest in that property and restricts the owners of the property. An easement is not revocable; however, it may be terminated for non-use or abandonment [CECOS, 1979].

One common use of easements is to protect communication facilities against electro-magnetic interference by acquiring easements which restrict building height, industrial activity and radio broadcasting within certain areas.

f. Public Lands or Domain

Upon application, public lands that are managed by the Department of the Interior may be reserved, restricted or withdrawn for Navy use. Congressional approval is necessary when an activity requests withdrawal of more than 500 acres or when that activity already has title for more than 5,000 acres withdrawn from the public domain since 1958 [CECOS, 1979].

2. Outgrants

a. General [CECOS, 1979]

When real property is temporarily excess to the needs of the Navy, consideration should be given to outgranting or outleasing the property. A very tangible benefit to the activity is that it reduces the outlay of O&M,N funds for maintenance of the outgranted property. Outgranting is encouraged provided that: it does not diminish the effectiveness of the activity; it will not render the property unsuitable

for planned future military use. It will not interfere with use of adjacent real property; and it will not permit use that may be a hazard to the property being outgranted.

The use of government property by others should not be permitted prior to the execution of an appropriate real property agreement. Detailed instructions and procedures for issuance of all forms of outgrants are contained in NAVFAC P-73.

b. Outleasing

Non-excess real property may be outleased for private use for a term usually limited to five years. Outleasing should be on a competitive basis whenever possible. The rental fee should equal fair rental value of the lease and should be established by the EFD staff or contract appraisal.

The terms of the outlease must provide for the expeditious recapture of the property by the government in time of national emergency. Leases are usually of three general types: general purpose, agricultural, and grazing. The CO of an activity has no authority to outlease property, but rather this responsibility is vested with NAVFAC EFDs [CECOS, 1979]. However, the activity is responsible for dealing with the leasee at the local level, and must coordinate security, maintenance and land management matters with the leasee. General purpose leases are executed on NAVFAC Form 11011/24, a copy of which is provided as Appendix C.

Agricultural or grazing leases normally contain soil and water conservation plans with which the leasee must comply. This type of lease is executed on NAVFAC Form 11011/22, which is provided as Appendix D, along with the General Provisions which accompany the lease form.

Particular attention should be paid to general purpose leases for industrial activities, if the use of Navy property or facilities gives the leasee a competitive advantage in the market place.

c. Licenses [CECOS, 1979]

A license may be issued for use of Navy controlled property by private parties, corporations, state or local governments, or other federal agencies when: it will not interfere with Navy use; it is in the public interest; and revocation can be readily effected without working undue hardship on the licensee or embarrassing the Navy.

Commanding Officers or Officers in Charge of Naval and Marine Corps activities are authorized, in general, to issue licenses for use of real property under their command, provided that: the period of the license does not exceed one year from the effective date of the original license; it does not involve a payment of cash, other than for government furnished utilities and services; the CO/OIC of the activity concurs; the license prohibits new construction or the installation of non-severable improvements; the license does not permit exclusive use of space by a federal agency for a period in excess of one year; the license does not

permit any rights of use for a period longer than five years. The terms "license" and "permit" are used interchangeably. However, the term "permit" usually refers to a revocable right for the Navy to use property of others, while the term "license" refers to the revocable right of others to use property under the control of the Navy.

Licenses are usually executed on NAVFAC form 11011/29 for license of non-federal use of real property, and NAVFAC form 11011/30 for license of use of real property by other federal agencies. A copy of NAVFAC form 11011/29 is provided as Appendix E.

Any request for a license may be referred to the EFD by the activity CO; EFDs have general authority to issue licenses.

d. Use Agreement

A use agreement is an authorization granted to another federal agency (not only DOD) to use Navy real property when the tenant's long-term requirement for exclusive use of Navy land requires a substantial expenditure of its funds (often Congressionally approved) and when the agreement cannot be terminated easily.

e. Host-Tenant Real Estate Agreement [CECOS, 1979]

A host-tenant real estate agreement is the form of use agreement granted when another military department or DOD activity is to be granted exclusive use of Navy real property.

f. Easement [CECOS, 1979]

(1) Policy. The granting of an easement restricts the government's rights of use in the real property, and may adversely affect either its future use for government purposes or its disposal if the property becomes excess to government requirements. Consequently, the Navy policy is to restrict the granting of easements on real property to cases of necessity. To grant an easement, the following conditions must exist: the government real property is the only property which can be used for the purpose and easement is the most appropriate form of real estate interest for the purpose; the easement will not materially interfere with the government's present or future use of the property; and a cash consideration is paid equal to the fair value of the easement, except that no consideration or a lesser consideration may be charged where the easement is granted for purposes which will benefit the government.

Navy regulations require that no easement be granted for a period exceeding 50 years unless circumstances warrant a longer period or in perpetuity. As rights-of-way for roads and streets normally contemplate indefinite use, perpetual easements are usually granted for such purposes.

(2) Authority. Commanders/Commanding Officers of the EFDs are responsible for processing a multiple addressee letter to NAVFAC and to the echelon of command, including CNO or CMC, to obtain approval for the granting of any easement. After all approvals are obtained, the EFD executes the grant of easement.

g. Special Uses [CECOS, 1979]

(1) Introduction. Many special uses of Navy real property do not come within the scope of authority delegated to NAVFAC with respect to leases, licenses and easements. Certain of these special uses warrant special treatment, and SECNAV has established special policies and procedures for authorizing these uses.

(2) Civil Use of Navy Aviation Facilities. The authority of COs of active Navy or Marine Corps aviation facilities to approve or disapprove the issuance of aviation facility licenses for the use of civil aircraft is detailed in SECNAVINST 3770.1 and NAVFACINST 11011.48. Approval of all requests for which specific authority is not granted to COs or other designees, is reserved to the CNO.

In those cases where CNO approval is not required, the activity CO obtains any necessary concurrences, and forwards the approved and partially executed license and other necessary documents to the cognizant EFD for execution and distribution.

In those cases where CNO approval is required, the activity CO should transmit the partially executed license to CNO via the cognizant commands in accordance with SECNAVINST 3770.1. Following approval by CNO, the license will be executed and distributed by NAVFAC.

(3) Utility Pole Agreement. A utility pole agreement is a revocable agreement which authorizes use of government land for erection of utility poles or structures.

The use of government property under a utility pole agreement is authorized when: the use will benefit the government or be in the public interest; the use will not interfere with the Navy's use of the property; the use will not represent a hazard to the property; the government land is the only land that can be used for the purpose; and the use can be terminated at any time.

An activity receiving a request for a utility pole agreement should review the application to determine that the proposed use will not impair the activity's ability to respond to its mission, or impair the government's ability to exercise its right of revocation on policy grounds.

When the agreement is approved on the above grounds, the head of the activity forwards the request, including the local endorsement and comments, to the EFD for execution. Terms and conditions of the agreement are detailed in NAVFAC P-73.

(4) Public Telephone Facilities Agreement. A public telephone facilities agreement is similar to a utility pole agreement in that it is a revocable agreement. It authorizes a telephone company to use government property to provide public pay station telephone service. The policies and procedures are the same as for the utility pole agreement.

(5) Railroad Spur Track Agreement. A railroad spur track agreement obligates the railroad to provide specified services between a point on its line and certain points within the Navy activity. The agreement grants the railroad

the right of access to the facility and rights of use on government owned trackage incidental to performance of its obligation. This type of agreement differs from the previously defined agreements in that it provides a service to the Navy activity.

The execution of a railroad agreement by the cognizant EFD is subject to approval of the CO of the activity, the operational chain of command, the Naval Supply Systems Command, and the Military Traffic Management and Terminal Service.

3. Support Agreements [CECOS, 1979]

a. Host-Tenant Relationship

(1) Navy or Marine Corps Activities. Frequently, units or activities under the jurisdiction of other Navy commands, the Marine Corps, or other DOD components occupy facilities at Navy shore activities. Where a host-tenant relationship exists between Navy activities, or Navy and Marine Corps activities, no host-tenant real estate agreement or license is prepared; however, an Intraservice Support Agreement is used to reflect the responsibilities of each unit or activity.

(2) Other DOD Components. A host-tenant real estate agreement, identifying in detail the specific facilities that the host provides for the use of the tenant, is used when a Navy activity provides use of facilities to a unit of another DOD department. A host-tenant real estate agreement may also be used when another department provides

exclusive use of facilities to a Navy unit or activity. An Interservice Support Agreement is used to describe the logistical and administrative functions, including funding responsibility, to be performed by both parties and is entered into in addition to the host-tenant real estate agreement.

b. Responsibilities

(1) Host-Tenant Agreements. Host-tenant agreements are prepared by the cognizant EFDs to reflect the desires of the activity COs. The agreements must conform to the provisions of NAVFACINST 11011.51 and SECNAV policy.

Prior to execution of the agreements, the EFD must obtain approval of the activity CO, the Major Claimant, and CNO or CMC, as appropriate.

A sample host-tenant real estate agreement is attached as Appendix F.

(2) Support Agreements. The EFD's function in regard to preparation of support agreements is advisory, except in the case of Armed Forces Reserve Centers. In the latter case, the agreement is prepared in consultation with the commanders concerned and executed by the EFD. In all other cases, the activities involved prepare the support agreements.

c. Interservice Support Agreements

Interservice Support Agreements are prepared on DD form 1144 and specifically define the parties responsible for the logistical and administrative functions, and the

funding to be provided. A checklist of the services to be considered by the respective parties for negotiation and inclusion in an agreement is appended to NAVFACINST 11011.51. The Interservice Support Agreements must conform to Defense Retail Interservice Support (DRIS) Manual, DOD 4000.19.

d. Intraservice Support Agreements

Intraservice Support Agreements may also be prepared on DD form 1144. They are similar in content and structure to an Interservice Support Agreement. However, unlike the Interservice Support Agreement, the Intraservice Support Agreement is not subject to the DRIS Manual. A sample Intraservice Support Agreement is attached as Appendix G to this chapter.

e. Host Activity Responsibility

The host activity must provide timely and effective response to requests of the tenant activity for the services provided for in the support agreement. The PWD has a particularly vital role in the support of tenant activities; PWD supervisors should be familiar with their responsibilities and limitations in matters pertaining to maintenance of buildings and grounds, utilities, transportation and telephone service. The PWD budget should specify the services to be provided and funded by the host, and the services to be provided by the host but funded by the tenant on a reimbursible basis.

C. REAL ESTATE MANAGEMENT

1. Real Property Inventory [CECOS, 1979]

a. Background

The real property inventory (RPI) is maintained in accordance with Title 10, US Code 2701, as an official record of both financial and physical data on Navy facilities, and as a current inventory of all Class 1 (land) and Class 2 (buildings) property owned or controlled by the Navy. However, in addition to financial and physical data, information on use, user and condition of assets is required by the shore facilities planning system to assist in establishing requirements for the Military Construction Program. Budgeting for necessary real property maintenance and repair programs also requires current financial, physical, use, user and condition data on real property facilities; this data is provided by the Navy Facility Assets (NFA) data base. RPI and NFA are terms used interchangeably.

b. Property Records

The fiscal offices of Authorized Accounting Activities (AAA) maintain financial records of Class 1 and Class 2 real property. In addition, an automated data processed central inventory record is maintained at the Navy Facilities Systems Office (FACSO) in Port Hueneme, CA. Changes to this file, which constitutes the Navy Facility Assets Data Bank (NFADB) may be made by the activity directly to the EFD, as changes to real property occur. Quarterly submissions via the AAA are no longer required.

Copies of the property records are provided to the activity; an example of the record for a Public Works shop building is shown as Figure III-1. If revisions to the property record are necessary, they may be made by marking-up the record copy and forwarding it to the EFD.

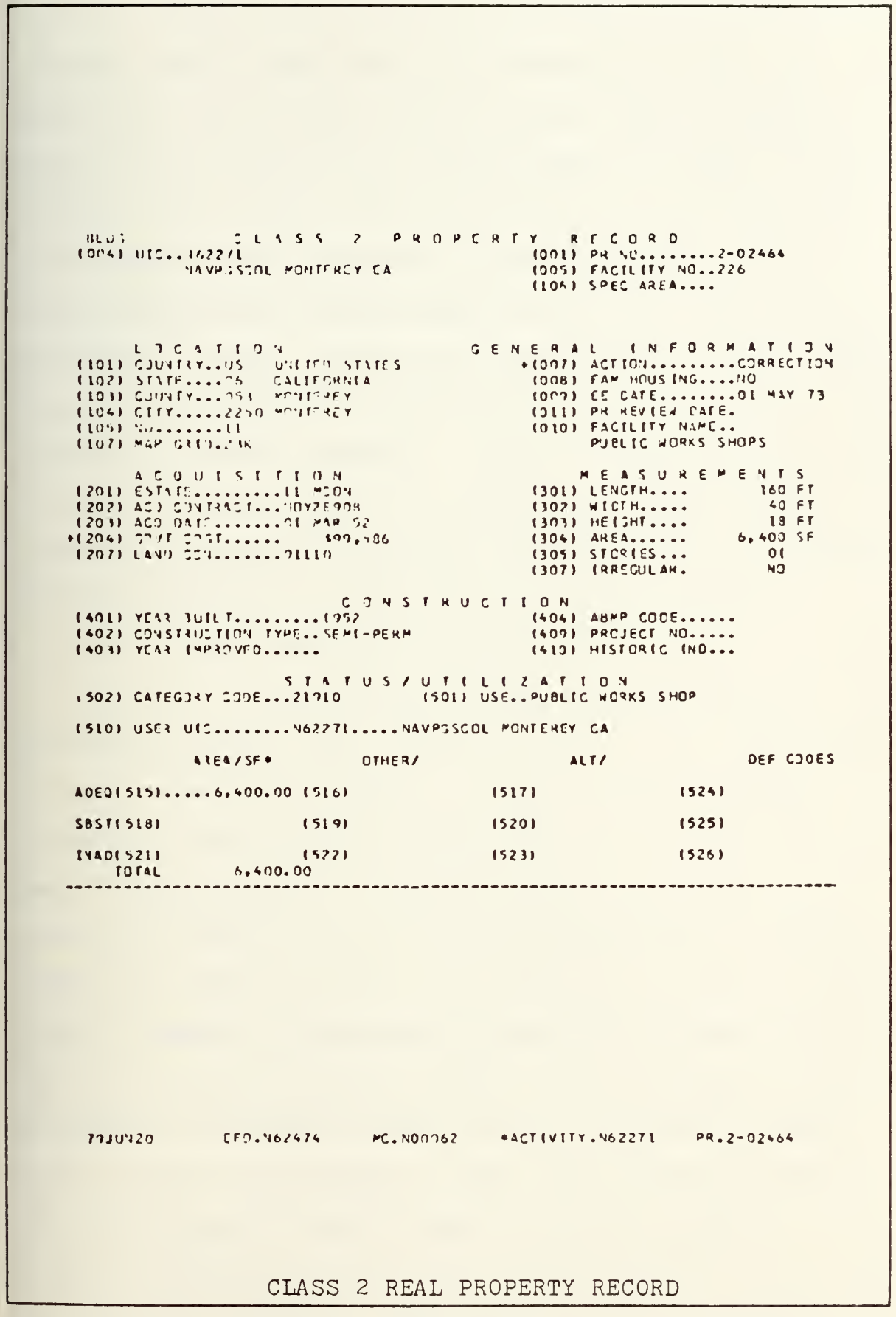
Summary real property inventory documents are provided as NAVFAC P-164, the Detailed Inventory of Naval Shore Facilities. This document provides a line item listing for each real property record, summarizes real property assets by category code, and shows total cost of land and improvements. Excerpts from a sample P-164 are provided as Appendix H.

c. Responsibilities

Maintaining the integrity and value of the RPI requires the participants in the data collection process to effectively carry out their roles. The EFDs must promptly report the acquisition of new property by purchase, construction under MCON appropriation, or other acquisition methods. The activity must report property acquired or altered under job orders using in-house labor or local contractors. The EFDs have similar responsibility for reporting outgrants and disposal actions. Detailed instructions concerning the forms and procedures to be used in reporting changes that affect the RPI, or NFA, are contained in NAVFAC P-78, Navy Facility Assets Data Base Manual.

d. Category Codes

(1) General. The Navy RPI is based on the category code structure. The publication which establishes the



```
BLDG          C L A S S   2   P R O P E R T Y   R E C O R D
(004) UIC..N62271                              (001) PR NO.........2-02464
      NAVPGSCOL MONTEREY CA                    (005) FACILITY NO..226
                                               (108) SPEC AREA....

      L O C A T I O N                          G E N E R A L   I N F O R M A T I O N
(101) COUNTRY..US   UNITED STATES              *(007) ACTION.........CORRECTION
(102) STATE....06   CALIFORNIA                 (008) FAM HOUSING....NO
(103) COUNTY...053  MONTEREY                   (009) EE DATE.........01 MAY 73
(104) CITY.....2250 MONTEREY                   (011) PR REVIEW DATE.
(105) NO.......11                              (010) FACILITY NAME..
(107) MAP GRID..NK                                   PUBLIC WORKS SHOPS

      A C Q U I S I T I O N                          M E A S U R E M E N T S
(201) ESTATE.........11 MCON                   (301) LENGTH....        160 FT
(202) ACQ CONTRACT...N0Y28908                  (302) WIDTH.....         40 FT
(203) ACQ DATE.......01 MAR 52                 (303) HEIGHT....         18 FT
*(204) COST COST.....     $99,586              (304) AREA......      6,400 SF
(207) LAND CON.......21110                     (305) STORIES...         01
                                               (307) IRREGULAR.         NO

                          C O N S T R U C T I O N
(401) YEAR BUILT.........1952                  (404) ABMP CODE......
(402) CONSTRUCTION TYPE..SEMI-PERM             (409) PROJECT NO.....
(403) YEAR IMPROVED......                      (410) HISTORIC IND...

                     S T A T U S / U T I L I Z A T I O N
(502) CATEGORY CODE...21910                    (501) USE..PUBLIC WORKS SHOP

(510) USER UIC.........N62271.....NAVPGSCOL MONTEREY CA

            AREA/SF*          OTHER/              ALT/              DEF CODES

AOEQ(515).....6,400.00 (516)              (517)              (524)

SBST(518)              (519)              (520)              (525)

INAD(521)              (522)              (523)              (526)
    TOTAL       6,400.00
-------------------------------------------------------------------------------

77JUN20       CFD.N62474      PC.N00062      *ACTIVITY.N62271      PR.2-02464
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CLASS 2 REAL PROPERTY RECORD

Figure III-1

category codes, nomenclature and standardized units of measure for identifying, classifying and quantifying Navy assets is the NAVFAC P-72, Category Codes for Navy Facility Assets. The category code structure is used in connection with shore activity programs to ensure uniformity in the areas of budgeting, planning and programming, real property management, design, construction, maintenance and recordkeeping. Such uniformity is essential to the interchange of data between the various programs. Further, judgements and authorizations by higher levels of review in the Navy, DOD and Congress are based on evaluation of total assets and requirements in the various categories, as listed in the RPI.

(2) DOD Basic Categories

Land assigned to any of the services is considered Military Real Property, Class 1. All other real property items constructed on or in the land (buildings, structures, and utilities) are considered to be Military Real Property, Class 2. Classes 1 and 2 are categorized within the structure of the three-digit DOD basic category codes. One series of codes--the 900 series--applies only to Class 1 property. The codes included in the series indicate the estate of the land (the nature, degree and type of the government's interest in the land and the method in which that interest was acquired). Eight other series of codes--the 100 through 800 series--apply to Class 2 property. Unlike the 900 series, these eight series indicate the use made of the Class 2 property. The nine DOD facility classes are:

100 Operational and Training Facilities

200 Maintenance and Production Facilities

300 Research, Development and Test Facilities

400 Supply Facilities

500 Hospital and Medical Facilities

600 Administrative Facilities

700 Housing and Community Facilities

800 Utilities and Ground Structures

900 Land or Real Estate.

The facility classes are further subdivided into two or more category groups which are frequently subdivided into basic categories. Thus, a three-digit code describes the facility class, the category group within the class, and the basic category of use within the category grouping.

(3) Navy Category Codes. The Navy codes are a composite of the three-digit DOD codes and two additional digits which provide more definitive and effective categorization of real property. NAVFAC P-72 contains the complete catalogue of Navy codes, and detailed guidance on classification and reporting procedures. Following is an illustration of the development of Navy codes for a Public Works Shop and a potable water distribution line:

219-10	Public Works Shop
2	Facility class (maintenance and production)
1	Category group (maintenance facilities)
9	Basic category (PW repair and operations)
-10	Public Works shop
842-10	Water Distribution Line, Potable
8q	Facility class (utilities and ground struct.)
4	Category group (water)
2	Basic category (water distribution, potable)
-10	Water distribution line, potable

A sample page from NAVFAC P-72 showing the category codes is shown as Figure III-2.

2. Historic Structures [Markon, 1975]

Executive Order 11593 of 13 May 1971 required all federal agencies to inventory their land holdings for historic structures, and to nominate to the National Register of Historic Places those that qualify under standards set by the National Park Service. This already has been done throughout the Navy.

The Navy is responsible for preserving and maintaining property under its jurisdiction that is included in the National Register, and consequently may not undertake work which would adversely affect such property without first submitting modification proposals to the National Advisory Council on Historic Preservation.

CATEGORY CODES FOR MILITARY REAL PROPERTY

CATEGORY CODE	FAC TYPE	UNITS OF MEASURE AREA	UNITS OF MEASURE OTHER	UNITS OF MEASURE ALT	NOMENCLATURE (AND DESCRIPTIVE NOTES)	MAINT COST ACCT	INVST CAT	INCL 11000/ REPTS
216 - 40	BLDG	(SF)			RAILROAD EQUIPMENT SHOP	7120	08	
216 - 42	BLDG	(SF)	EA		RR CAR UNDERBODY WASHRACK	7120	08	
216 - 45	BLDG	(SF)			INSTRUMNT CALIBRATION SHOP	7120	08	
216 - 50	BLDG	(SF)			BATTERY SHOP	7120	08	
216 - 60	BLDG	(SF)			ACFT GRND SUPPRT EQUIP SHP	7120	08	
216 - 61	BLDG	(SF)			GRND SUPPRT EQUIP HOLDING	7120	08	
216 - 62	BLDG	(SF)			SHIPBD ACFT SUPP EQUIP FAC	7120	08	
216 - 65	BLDG	(SF)			EQUIP HOLD SHED FOR 216-20	7120	08	
216 - 66	BLDG	(SF)			PROD EQUIP MAINT SHOP	7120	08	
216 - 70	BLDG	(SF)			OFFICE EQUIP/APPL REPAIR	7120	08	
216 - 71	BLDG	(SF)			DENTAL EQUIP MAINT BLDG	7120	08	
216 - 77	BLDG	(SF)			REPAIR SHOP STORAGE	7120	08	
216 - 80	BLDG	(SF)			FLD MAINT SHOP (GENL SUPPL)	7120	08	
219					**MAINT - PW REPAIR & OPNS**			
					Facilities and shops for maintaining/repairing/overhauling public works and public utilities facilities including installed shop and other equipment at military or industrial installations.			
219 - 10	BLDG	(SF)			PUBLIC WORKS SHOP	7120	08	
219 - 20	BLDG	(SF)			PAVMT/GRNDS EQUIP SHED	7120	08	
219 - 25	BLDG	(SF)			PW EXPENDBL/WORK IN PROCES	7120	08	
219 - 30	BLDG	(SF)			PAINTG & RELTD OPNS BLDG	7120	08	
219 - 31	STRC		(EA)		PAINTG & RELTD OPNS STRC	7120	08	NO
219 - 77	BLDG	(SF)			PW MAINTENANCE STORAGE	7120	08	
220					**PRODUCTION**			
221					**PRODUCTION – AIRCRAFT**			
					Facilities for constructing and assembling new components, air frames and related assemblies and spares, aircraft engines and related spares, and aircraft equipment and spares.			
221 - 10	BLDG	(SF)			ACFT ENGINE ASSEMBLY PLANT	71U0	08	
221 - 20	BLDG	(SF)			AIRFRAME ASSEMBLY PLANT	71U0	08	
221 - 30	BLDG	(SF)			ACFT ACCESSORY ASSEMBLY	71U0	08	

SAMPLE PAGE NAVFAC P-72

Figure III-2

"Where do you want Penn Station?"

(New Yorker, 1975)

3. Encroachment [Stewart, 1976]

a. Problem

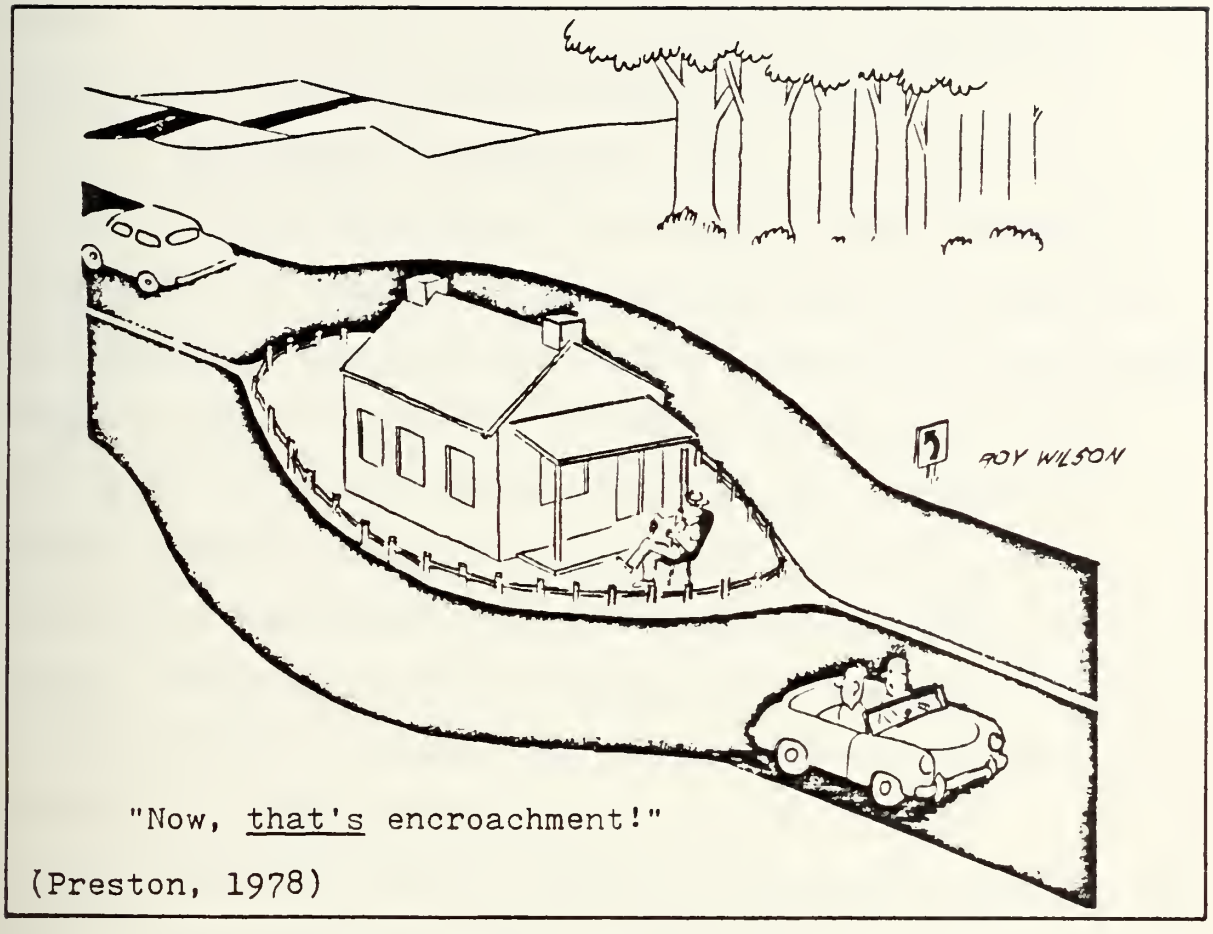
Sites for most Naval activities were selected years ago in locations remote from residential areas; but urban sprawl has reached the point where potential civilian encroachment is a threat to some Navy property. Growth of communities near an installation often interferes with the activity's basic mission or its future potential. Curtailing or halting of operations at some air stations, ammunition storage facilities, and communications stations because of off-base residential or commercial development are examples of encroachment problems which have progressed beyond the

stage of effective control. New highway construction, industrial expansion, commercial airport operation, and recreational facilities are all potential encroachers. These and similar developments act as magnets which attract people into formerly unpopulated areas.

Military activities and private neighborhoods often coexist harmoniously; however, the Navy mission may create uncomfortable or unsafe conditions outside the base boundary. In such cases, it is important to bar use of such land for all but compatible development. Examples of mission-related hazards include aircraft accident potential, high noise levels, explosive quality-distance hazards, and electromagnetic interference. Also, new off-base construction may limit operations, as when buildings penetrate aircraft glide paths and structures interfere with communications. Encroachment may be such that the military mission endangers nearby property or urban build-up restricts military operations. In either case, encroachment may curtail operations or, more drastically, force base closure.

b. Policy

Early recognition of potential encroachment and assessment of the impact on use of Navy real property is vital to protecting and maintaining the usefulness of Navy installations. OPNAVINST 11011.12 defines the purpose of the program as achievement of compatibility between installations and civil communities. Basically, the objectives are: to ensure Navy investments in real property are protected, and



"Now, that's encroachment!"

(Preston, 1978)

operational capabilities of installations are maintained; to reduce aircraft noise at and near air installations (AICUZ program); to safeguard the safety, health, and welfare of the public from development incompatible with military operations; and to inform the public of the Navy program to safeguard real property, and of efforts to minimize the potential hazards of military operations.

c. Responsibility

Activities must submit an annual report as detailed in OPNAVINST 11011.12, identifying and reporting existing or potential civilian encroachment on Navy real property,

as well as keeping the chain of command, EFD and Area Coordinator informed of encroachment problems.

4. Jurisdiction [O'Donoghue, 1975]

In the early days of the country, when the federal government was relatively less powerful than the states, it was considered desirable and usually necessary for the United States to obtain a cession of jurisdiction from the state over a military installation. Most of the states passed general cession statutes that gave the federal government exclusive jurisdiction over areas acquired for Naval activities. Under these early statutes state laws did not apply to these federal enclaves, nor did the state courts have any authority in these areas.

Later, the states became less willing to cede all of their jurisdiction over federal installations and the federal government found increasingly less reason to acquire such jurisdiction. By the mid 1950s, a Presidential commission studying the broad field of jurisdiction concluded that there was rarely any justification for acquiring any degree of jurisdiction, and that on the whole, federal jurisdiction should be retroceded rather than acquired. This has been the trend in recent years.

The result of all of this is that many Navy installations, particularly the older ones and those acquired in increments, are complete hodge-podges of jurisdiction. They contain some areas of exclusive jurisdiction, some with none at all, and others with some degree between the extremes.

This is a relatively unimportant matter most of the time; but if a crime is committed, the type of jurisdiction may be of paramount importance. When a crime has been committed in an area under exclusive federal jurisdiction, state or local officials have no authority even to investigate the crime and the state courts have no jurisdiction to try one who is accused of the crime. It is a matter exclusively for federal officials and courts.

Another significant matter which is directly influenced by the type of federal legislative jurisdiction is taxation of private property. In areas of exclusive legislative jurisdiction, the state has no right of taxation; however, in areas of concurrent or partial legislative jurisdiction and areas of proprietorial interest only, one of the rights most commonly retained by the state is that of taxation of private property. In general, the state's right of taxation, if any, applies only to private property of personnel residing on the federal land; the state may not tax the federal land. Further guidance is provided in NAVFAC P-73, the Real Estate Procedural Manual.

In view of the importance of knowing the jurisdiction which applies in a specific area, it is important for the PWD to maintain an accurate and current map showing jurisdictional boundaries.

5. Annexation

a. Policy

Annexation is the process by which a municipality incorporates Navy land into its corporate limits.

The proceeding generally requires initiation or approval by the governing body of the municipality, public notice to land owners, and consent by a majority of the land owners. It is Navy policy not to oppose annexation and to cooperate with the municipality, unless the annexation would have an adverse impact on the activity.

b. Authority

As specified in SECNAVINST 11011.29, Naval District Commandants have been delegated the authority to advise the municipalities whether or not the Navy opposes annexation.

It is the responsibility of the activity CO to review all aspects of the proposed annexation and to recommend action to the Commandant via the chain of command and the EFD. The CO and PWO should consider adverse effects of annexation, benefits (such as police or fire protection), budget impact, and effect on plans for growth, as well as the reasons for the municipality's request for annexation.

D. NATURAL RESOURCES MANAGEMENT

1. Policy

The Navy, as a major user of land, has an obligation to the public to responsibly and effectively manage and conserve the renewable natural resources of the lands and waters under its control. Accordingly, it is Navy policy to preserve, restore, and improve the natural resources of the land and water areas of all Navy facilities. Further, all installations and facilities with appropriate land and water areas

are to have active, progressive programs for the management and conservation of natural resources [CECOS, 1979].

A natural resource is a feature of the natural environment that is of value in serving human needs. Besides the obviously economic natural resources--minerals, petroleum, water and timber--all materials that have not been manufactured or processed and all areas that have not been thoroughly and completely developed are natural resources [Perham, 1979].

There are three general programs within the natural resource management program: forest management; fish and wildlife management, and soil and water conservation. These are interrelated and getting the best results from efforts in one area often depends on making some investment in another area [Perham, 1979].

2. Natural Resources and the Mission [Perham, 1979]

Federal and state laws, executive orders, and command instructions deal with the responsibilities of DOD and the Navy in the natural resource area--for example, the Endangered Species Act, Wetlands Protection Act, Sikes Act, etc. Many Navy shore activities are interested in expanding their natural resource-related endeavors, but often an abrupt dividing line seems to exist between the natural resource program and military mission priorities.

There is usually no question that the mission is top priority, unless critical habitat of an endangered species is involved. However, that is not reason to ignore or term infeasible natural resource management on smaller installations

or to limit natural resource management to areas far away from important, highly visible, secure, or even hazardous areas. Further, a command should not limit the scope of a natural resource program because of short term, relatively minor inconveniences that may be created. An example would be the disturbance created by timber harvesting. All natural resource management programs can be custom tailored to meet the needs of the area regardless of size or location, when natural resource professionals and the PWD work closely.

3. Responsibilities [CECOS, 1979]

a. Naval Facilities Engineering Command

NAVFAC has been assigned the responsibility for developing and implementing natural resource programs for all land and water areas under the jurisdiction of the Navy; OPNAVINST 11015.1 refers.

b. Engineering Field Divisions

To effectively discharge this responsibility, NAVFAC has established Natural Resources Management Branches in the Engineering Field Divisions (EFDs), and delegated to them the responsibility for developing, coordinating, directing and implementing appropriate natural resource programs for the Naval shore activities. Through the EFDs, liaison and cooperation are maintained between state, federal, and local agencies in the natural resources field. EFDs utilize their specialized technical services to the maximum extent feasible in management planning, application, and research toward the development of improved methods and equipment.

c. Activities

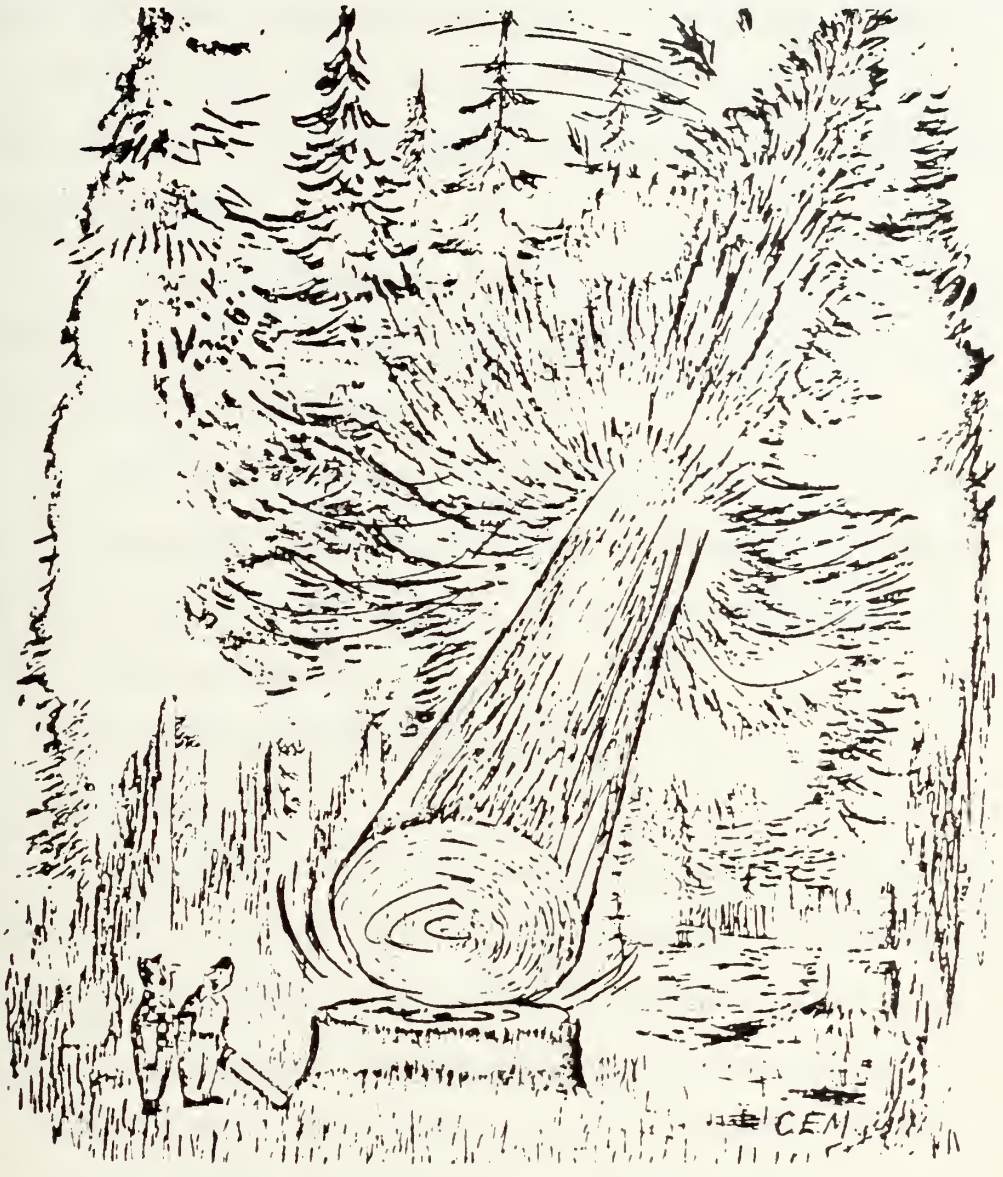
Activity COs are responsible for supporting the conservation policies and programs, and making full use of the professional assistance available on the EFD staff.

4. Forest Management

a. Management Program

The Secretary of Defense requires that the armed forces maintain forest resource management programs. These programs apply scientific management practices and operations to provide for: sustained yield of quality timber; watershed protection and management; fish and wildlife management; recreation potential; and other resource values including natural beauty. The objective is to maintain desirable biological balance in the forest community [Perham, 1979].

A technical management plan must be established at activities with land areas suitable for forest resources management programs. Such plans should be developed by professional foresters within the Navy, with the aid of federal or state forestry agencies, or consulting foresters where additional assistance is needed. The plans should consider: timber area access roads; the effects of timber management practices on soil, water, fish and wildlife; watershed management; enhancement of natural beauty and recreation; natural and artificial regeneration of desirable tree species; protection against wild fires, animal damage, and injurious insects and disease; salvage and disposal of dead or dying timber; scheduled harvest in accordance with technical standards;



"Why, Archie, you're crying!"
(New Yorker, 1975)

planning harvests to achieve optimum use of current and future markets, and desirable composition of residual stands; and cultural treatments [CECOS, 1979].

b. Timber Harvesting [CECOS, 1979]

The use of forests for timber production involves: accumulation of forest resource data necessary for scientific

management of the area; harvesting on a sustained basis so as to achieve a regular harvest of timber from the land; and silviculture--the management practices of producing and caring for a forest.

Timber production and forest recreation can be compatible uses of an area, but some adjustments in both activities may be necessary.

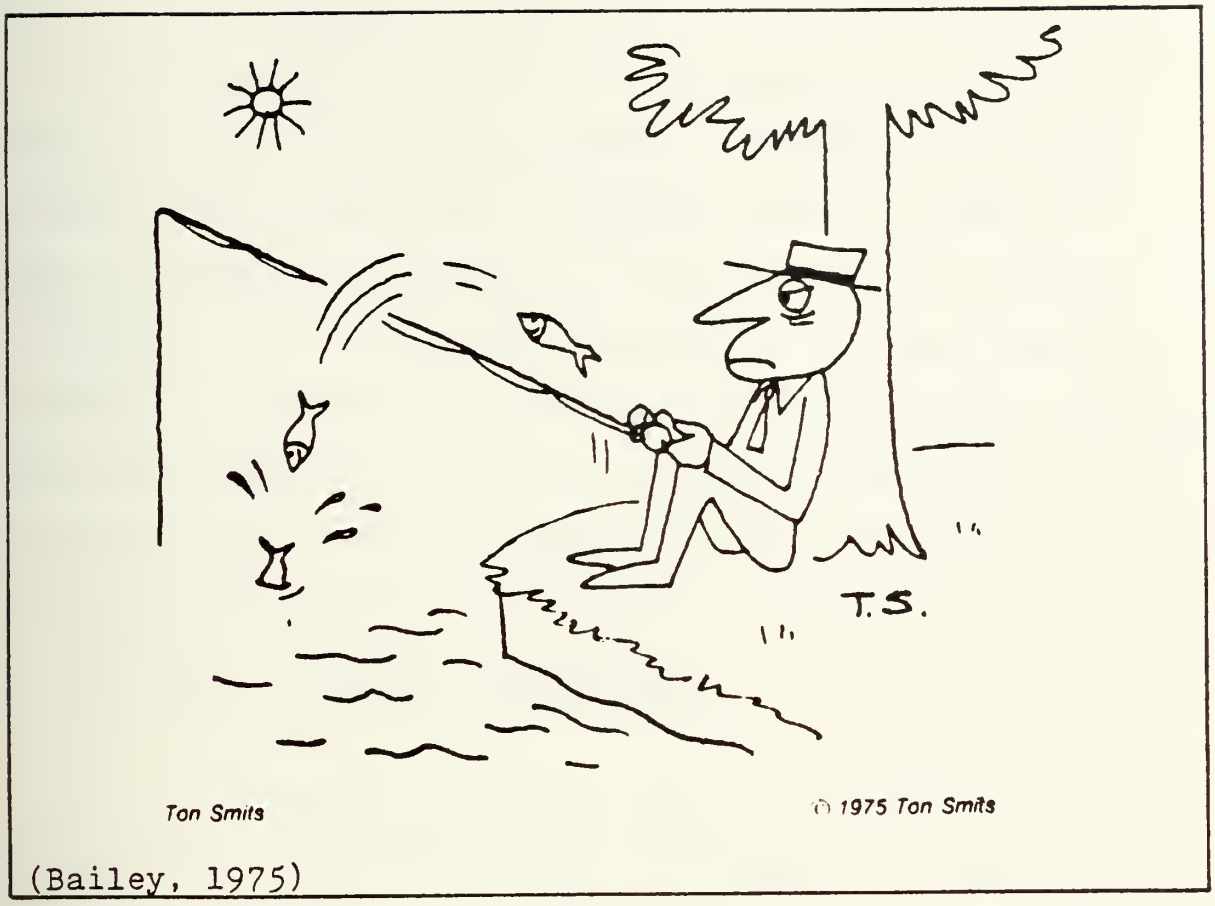
The harvest of timber for sale as sawtimber, poles, pulpwood or other convertible products can produce a significant source of income, as well as improve the timber stand for future harvests.

5. Fish and Wildlife Management

a. Plans

Whereas forest management generally requires a minimum of 20 acres of forest land, wildlife conservation programs can and should be developed for all Navy lands. Wildlife needs should be considered and incorporated in formal landscape plans, in rehabilitation of drastically disturbed areas (such as building demolition sites) as well as in more remote forested or brush areas where game management may be of prime concern [Perham, 1979].

The U.S. Code and public laws require that the Navy plans be compatible with those of federal and state fish and wildlife agencies. Further, hunting, fishing and trapping at Navy activities must be in accordance with the fish and game laws of the state. Plans must consider both game and non-game wildlife. Often the small semi-natural improved



(Bailey, 1975)

grounds surrounding Naval installations have potential as wildlife habitat preserves for a variety of birds and small mammals [CECOS, 1979 and Perham, 1979].

b. Fish

Habitat control and improvement should be the means of perpetuating and improving the fisheries resources. Streams for which the value for fish has been destroyed by pollution, channelization or other activities should be rehabilitated to the extent possible. Aquatic weeds and undesirable fish species should be controlled [CECOS, 1979].

c. Wildlife

Habitat control and improvement should be the basic tool for wildlife management. Artificial stocking should be considered only in special cases, and then only upon the advice and guidance of state or federal wildlife officials. All precautions and measures necessary should be taken to prevent extermination of any species of wildlife, including predators. Provisions should be made for adequate harvest of game species by hunting where control is necessary, and where safety and security permit [CECOS, 1979].

6. Soil and Water Conservation

a. Plans

Whether or not the forest or wildlife are actively managed, the soil and water resources must be. Not only are the pollution and sediment control laws behind the essential nature of this program, but the public's real property investment must be safeguarded. Wise stewardship is required by law. Of more parochial concern is the need to protect the land and water resources to maintain their usefulness for their intended military purposes [Perham, 1979).

Soil and water management is concerned with grounds--improved, semi-improved, and unimproved--and water areas. It requires development of the following procedure plans.

(1) Soil and Water Conservation Plan. This plan should provide an inventory of important increments of land use, and describe the methods, procedures, techniques, materials

and personnel required for development, improvement and maintenance of grounds and other soil and water conservation and management practices.

(2) Landscape Development Plan. This plan should be functional in nature; simple and informal in design; compatible with the adjacent surroundings; result in low maintenance needs and enhance the natural beauty of the area.

(3) Fire Protection Plan. This plan should incorporate fire protection and suppression measures. The measures must be coordinated with federal, state and local agencies.

(4) Outleased Land Plans. Lease agreements should incorporate natural resources conservation and outdoor recreational facilities within the leased areas.

(5) Grounds Maintenance Plans. Plans should be developed to provide for the proper maintenance of all grounds and should include frequency and height of mowing, type of equipment to be used, etc., with the goal of assuring satisfactory appearance at lowest cost [CECOS, 1979].

b. Construction

Soil problems, water management, runoff disposal, and planting or landscaping requirements should be considered in all site feasibility studies and project planning, design and construction. When required, the scope of conservation work involved should be included in the project proposals and construction contracts [CECOS, 1979].

7. Conservation Awards [CECOS, 1979]

a. Background

The objectives of the Secretary of Defense and Navy conservation awards is to provide added incentive for the development, maintenance and improvement of natural resources, and to enhance the natural beauty of DOD activities.

The Navy presents an annual award to the activities making the most progress in the past three calendar years in two categories--over 5,000 acres in size and under 5,000 acres. An activity is also selected to represent the Navy in the DOD award program.

b. Nomination

Navy installations having active conservation programs for the development, management and enhancement of renewable natural resources are encouraged to submit a Conservation Award Nomination Report to NAVFAC. A first place winner is selected from Navy installations in each of the size categories. One Navy nominee is selected to compete for the Secretary of Defense Conservation Award, and the nomination is forwarded to DOD by NAVFAC. The awards are based on the greatest progress in the conservation program, in consideration of the natural resources available. NAVFACINST 11015.14 provides the necessary information required to submit nominations for the competition.

8. Coastal Zone Management

a. Policy

The Coastal Zone Management Act of 1972 declares the following policy with regard to the coastal zone:

> "The Congress finds and declares that it is the national policy a) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations, b) to encourage and assist the states to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development, c) for all Federal agencies engaged in programs affecting the coastal zone to cooperate and participate with state and local governments and regional agencies in effectuating the purposes of this title, and d) to encourage the participation of the public, of Federal, state and local governments and of regional agencies in the development of coastal zone management programs."

The Act requires that all coastal states establish comprehensive plans for environmental protection and resource development in the coastal zone. Plans are to include designation of permissible uses by area, identification of areas of particular concern, and determination of priority uses in certain areas.

b. DOD Policy

DOD policy as set forth in DODINST 4165.59 is based on a section of the Act which excludes from coastal zones those lands, the use of which are by law subject solely to the discretion of, or which are held in trust by the federal government. All military installations under direct DOD control and all lands leased for use by DOD are excluded from mandatory compliance with a state CZM plan.

While most federal lands are excluded from the Act, federal agencies are to act in a manner consistent with the state programs to the maximum extent possible. DOD policy is that DOD activities in the coastal zone that affect, or may affect, coastal waters or lands shall comply with the state's approved CZM plan to the maximum extent practicable.

c. Compliance with CZM Act

(1) Support for Plan. The Navy is a significant user of coastal zones, and most Navy activities are in coastal zone locations. Therefore, existing and future requirements for Navy operation and activities must be recognized and provided for in the state CZM plan. Navy policy is to assist states in development of CZM programs by: making Navy requirements known to state officials; coordinating Navy real property planning with CZM planning agencies; and providing programs for review of master plans by local agencies. Further, all Navy functions which directly affect a coastal zone are to be conducted in a manner consistent with the state plan.

(2) Exception. While federal properties are excluded from the coastal zone, in most cases there is to be full scale substantive compliance with the state plan. However, it is Navy policy that: compliance with administrative procedures is not required; nothing in the Navy policy diminishes Navy jurisdiction, responsibility or rights in coastal areas; the approved state plan should reflect the objectives of both the Navy and the state; and from time to time, as an

exception to the rule, the Navy may rely on the exclusion clause because of conflicts arising from essential military operations which may violate the CZM plan.

d. Local Responsibility

Since the Act requires each state to develop its own CZM plan, the plans in the area of each Navy activity are different. It is incumbent upon PWD personnel to remain cognizant of the state program, to review proposed plans or changes, and to provide input to the EFD and/or area coordinator.

9. Ecological Reserves

An Ecological Reserve Area (ERA) is a physical or biological unit in which current natural conditions are maintained by allowing natural physical and biological processes to prevail without human intervention. Guidance for the establishment of a system of ecological reserves through the cooperation of federal, state, local and private organizations is vested in the Federal Committee on Ecological Reserves, of which DOD is a member.

Navy policy is to cooperate with the National Science Foundation and other state and private organizations to establish and maintain ecological reserve areas. Use of ERAs by scientists both within and without DOD is encouraged.

Information concerning ecological reserves is contained in OPNAVINST 6240.3, The Environmental Protection Manual.

"Just how endangered is this species?"

(New Yorker, 1975)

10. Protection of Endangered Species

The Endangered Species Act of 1973 provides that all federal agencies are to carry out programs for the conservation of endangered species and threatened species by taking action to ensure that proposed operations do not jeopardize those species or destruct their habitat. The Act provides the basis for court action, in a manner similar to the National Environmental Policy Act, to slow or stop projects which could destroy the critical habitat of endangered species.

Navy policy is to participate in the program to protect and enhance the endangered species through familiarization with the identity of endangered species and with

actions to be taken to avoid harm to the species or habitats. Additional guidance is provided in OPNAVINST 6240.3.

11. Protection of Wetlands

Executive Order 11950 of 24 May 1977 provides that federal agencies shall avoid construction in wetlands, unless there is no feasible alternative, and all practicable measures to minimize harm have been taken. Proposed project review is to consider the impact upon public health and welfare, pollution, flood control and sedimentation; maintenance of natural systems; alternate public uses of the wetlands. Additional guidance is provided in OPNAVINST 6240.3.

THE PRESIDENT

Executive Order 11954 — January 7, 1977

Federal Property Review

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including section 205(a) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 486(a)), and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. (a) The Federal Property Council (hereinafter referred to as the Council) is hereby reconstituted in the Executive Office of the President. The Council shall consist of the Director of the Office of Management and Budget, who shall be its Chairman, the Chairman of the Council of Economic Advisers, the Chairman of the Council on Environmental Quality, and such other members as the President may from time to time specify.

(b) Whenever requested by the Administrator of General Services or the Director of the Office of Management and Budget, the Council shall review the reports made by the Administrator of General Services pursuant to section 4 of this order, with particular attention to resolving conflicting claims on, and alternate uses for, any property described in those reports, consistent with laws governing Federal real property. The Council shall submit such recommendations and cause such reports to be submitted to the President as may be appropriate.

SEC. 2. All Executive agencies shall periodically review their real property holdings and conduct surveys of such property in accordance with standards and procedures determined by the Administrator of General Services pursuant to section 206 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 487), and this order.

SEC. 3. The Administrator of General Services shall issue standards and procedures, conduct surveys, and cause surveys to be conducted, to ensure that the real property holdings of Executive agencies shall continually be evaluated with special emphasis on the identification of properties that are not utilized, are under utilized, or are not being put to optimum use. The Administrator shall consult with appropriate Executive agencies in order to (a) identify real property that is excess or surplus to the needs of the Executive agencies, and (b) make such real property available for its most beneficial use under the various laws of the United States affecting such property.

SEC. 4. The Administrator of General Services shall report to the Director of the Office of Management and Budget with respect to any property or portion thereof which has not been reported excess to the requirements of the holding agency and which, in the judgment of the Administrator, is not utilized, is under utilized, or is not being put to optimum use, and which he recommends should be reported as excess property.

SEC. 5. The Director of the Office of Management and Budget shall review Federal real property policies and the objectives of the Executive branch of the Government; and shall review the reports made by the Administrator of General Services pursuant to section 4 of this order, as well as other reports relating to Federal real property. The Director shall submit such recommendations and cause such reports to be submitted to the President as may be appropriate.

SEC. 6. Executive Order No. 11724 of June 25, 1973, is hereby superseded.

Gerald R. Ford

THE WHITE HOUSE,
January 7, 1977.

[FR Doc.77-1100 Filed 1-7-77;4:45 pm]

DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
WASHINGTON D C 20350

IN REPLY REFER TO
OPNAVINST 11011.10B
Op-04E
26 July 1977

OPNAV INSTRUCTION 11011.10B

From: Chief of Naval Operations

Subj: Utilization of military real property

Ref: (a) Executive Order 11954 dated 7 Jan 1977
(b) Federal Property Management Regulations, Subpart 101-47.8, Amendment H-88, March 1975
(c) OPNAVINST 11010.1H

Encl: (1) Guidelines and Criteria for Determination of Status of Navy Real Property
(2) Executive Order 11954 Land Utilization Surveys
(3) Activity Utilization Map Preparation Guidelines

1. Purpose. To provide guidance and establish procedures for the review and preparation of the annual utilization of Navy real property and to ensure that this current utilization information is made available for use by the General Services Administration (GSA) during surveys being performed in compliance with reference (a). (R

2. Cancellation. OPNAVINST 11011.10A of 25 May 1972. (R

3. Background

a. Reference (a) directs each federal agency to periodically review their real property holdings and to conduct surveys in order to determine the level of utilization. In addition to these internal review procedures, intermittent surveys by GSA are required, with special emphasis on the identification of properties that are not utilized, are under utilized, or are not being put to optimum use. Properties found to be excess to the requirements of the holding agency are reported for disposal. (R

b. In addition to their responsibilities for performing surveys, GSA is tasked by reference (a) with developing standards and procedures for use in reviewing real property utilization. These standards and procedures, contained in reference (b), have been established by GSA in response to previous Executive Orders, and remain in force. (A

c. Reference (a) reconstitutes the Federal Property Council (FPC), which was originally established by Executive Order 11724 of 25 June 1973. Functioning primarily to resolve conflicting claims on and alternate uses for property, the FPC reports its decisions directly to the President as may be appropriate.

d. In the past, the Department of Defense has been authorized to conduct real property utilization surveys of certain military installations under the provisions of Executive Orders 11508 and 11724, both of which have been superseded. Within this authority, surveys have been performed by both the Office of the Secretary of Defense and the Naval Inspector General. Such surveys were in addition to those performed by GSA. Currently, the level of survey activity is insufficent to justify non-GSA surveys. If, in the future, the level of activities increases, one or both of these survey programs may be reactivated.

e. In response to a specific directive from the Secretary of Defense, there has been established a Navy Real Property Steering Group which will receive all Navy real property survey results. The NRPSG will review specific survey recommendations in light of review comments by the chain of command, and will determine the official Navy position on the survey recommendations. Once this position is determined, it will be submitted, along with the survey results, to the Secretary of Defense for further staffing and transmittal to GSA, as appropriate. The chairman of this group is the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), with the Deputy Chief of Naval Operations (Logistics), the Deputy Chief of Naval Operations (Air Warfare), the Vice Chief of Naval Material, and the Assistant Chief of Staff of the Marine Corps (G-4) serving as members.

f. Implementation of reference (a) within the Navy shore establishment extends to properties within the states of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.

4. Discussion

a. Reference (b) constitutes the statement of GSA's standards and procedures, issued in response to previous Executive Orders on real property utilization. Procedures discussed in detail include those to be followed in (1) the annual review of real property utilization by each federal agency, and (2) the intermittent GSA surveys of real

property utilization at specific activities. It should be noted that the same criteria are used in judging property as to utilization under both of the above programs. Reference (b) requires that a copy of the most recent annual review record shall be made available to GSA upon request or to the GSA survey representative at the time of the survey of each activity. Annual review data thus serves as a primary input to GSA prior to their performance of an actual survey. Its objectivity, accuracy and currency are absolutely essential.

5. Information and Guidance

a. To determine the proper utilization category identification, the definitions of Section 101-47.801(a) of reference (b) shall be used. These categories are repeated in enclosure (1). (R

b. Guidelines contained in Section 101-47.801(a) of reference (b) shall be considered in making utilization category determinations. Enclosure (1) describes these guidelines in detail. (R

c. Guidelines for use by activities in determining actions to be taken prior to and during GSA real property surveys are included as enclosure (2). If the level of future activities requires reactivation of DOD and NAVINSGEN survey programs, additional guidelines will be promulgated. (R

d. Analysis and reporting of excess property information under this instruction take a different form from the procedures involved in the preparation of the Excess Facilities Plan in accordance with reference (c). The two independent procedures are not duplicative, and both are required.

e. The results of the annual review must be portrayed on a map of the activity in such a manner that each major functional land use can be identified and correlated to the three utilization categories required by the Executive Order. The General Development Map (GDM), properly coded and annotated, is the most suitable means to portray the necessary information. Care shall be taken to ensure that duplication or copy methods employed retained sufficient clarity and detail to facilitate review. Enclosure (3) is a detailed description of how to annotate the GDM for this purpose. In addition to the GDM, station master plans, when prepared, can provide supporting documentation for presentation during GSA surveys. (R

6. Action

a. Commanding officers of each naval activity holding class 1 and/or 2 real property in its plant account shall conduct the necessary annual utilization review, in compliance with this instruction. This requirement applies to each naval activity in the geographic area specified in paragraph 3(f) above, including industrial plants and installations of the naval reserve. The activity will prepare all utilization maps, properly coded and annotated, in accordance with enclosure (3) hereto. The activity will also prepare the required written review, making certain that comments address each of the specific guidelines contained in enclosure (1).

b. The major claimant shall review objectively all submissions and make certain that the intent of reference (a) is complied with, and that evaluations of real property utilization conform to the guidelines of enclosure (1). Specific comments and recommendations shall be made by major claimants with regard to property considered excess.

c. Naval district commandants and naval base commanders shall coordinate and make comments on annual review for activity complexes, such as exist at naval district headquarters. This is of particular concern if an activity in an area indicates under-utilization or non-utilization of a parcel which may be required and could be fully utilized by a neighboring activity.

d. The Annual Utilization Report submission, or up-dates by the individual activities shall show conditions existing on 31 December, beginning with 31 December 1977. Final report, including comments, shall reach the Chief of Naval Operations (Op-04E) by 15 February of each year.

e. Those activities where actual land utilization has not changed since submission of the last complete annual review required under this instruction may submit an official report so stating, in lieu of a duplicate report and map. A determination of "no change" and re-certification of the previous annual review report must be the result of a careful review, with due consideration of any changes in mission, base loading and tempo of activity and direct comparison of actual current land utilization with the last reported. If changes have occurred which affect land utilization, a revised map and/or commentary should be submitted.

f. Inasmuch as reference (a) is applicable on a continuing basis, actions specified herein are required even though an activity may have previously received a formal survey. However, in such case the final DOD position should be noted.

7. Reports. Report symbol OPNAV 11011-2 is assigned to the Annual Utilization Report and symbol OPNAV 11011-2A is assigned to the message notification of a scheduled GSA field survey as discussed in enclosure (2).

R. P. DORTBERG
By direction

GUIDELINES AND CRITERIA FOR DETERMINATION OF STATUS OF NAVY REAL PROPERTY

1. General. The continued development of naval activities must be accomplished in a manner which leads to the most effective fulfillment of their missions, tasks and functions at minimum cost. Such development requires careful appraisal of the many factors involved; effective utilization of land, buildings, structures and associated personnel and funds, at the activity level and at successive levels in the chain of command.

Executive Order 11954 requires that the Navy identify and release real property holdings that are no longer essential to its activities and responsibilities. The Executive Order also requires that uniform procedures be established to facilitate its own implementation.

As such, the definitions and guidelines listed in this enclosure shall be used to identify non-essential property.

2. Definitions

a. Not Utilized. An entire property or portion thereof, with or without improvements, which is not being occupied for current program purposes or occupied in caretaker status only. (A portion of land which provides necessary separation for aviation safety or explosive quantity distance is considered to be utilized, however, such distance must be clearly specified by written Navy directive.)

b. Underutilized. An entire property or portion thereof, with or without improvements, which is being used either:

(1) Only at regular periods or intermittently for current program purposes.

(2) For current program purposes that can be satisfied with only a portion of the property.

c. Not Being Put to Optimum Use. An entire property or portion thereof, with or without improvements, which either:

(1) Even though utilized for current program purposes, is of such nature or value, or is in such a

location, that it could be utilized for a different significantly higher and better purpose.

(2) The costs of occupying are substantially higher than would be applicable for other suitable properties that could be made available to the Navy through transfer, purchase, or lease with total net savings to the government, after consideration of property values as well as costs of moving, occupancy, efficiency of operations, environmental effects, regional planning and employee morale.

3. Guidelines. The following general guidelines along with mission fulfillment shall be considered in the annual review:

a. Is the property being put to its highest and best use?

(1) Consider such aspects as surrounding neighborhood, zoning, and other environmental factors;

(2) Whether present use is compatible with state, regional, or local development plans and programs.

(3) Consider whether Navy use of the property would be justified if an equivalent commercial rental charge for its use was added to the program costs for the function it is serving.

b. Are operating and maintenance costs excessive? Do the location, site, physical condition, or excessive operating and maintenance costs cause continued utilization and ownership to be unjustified, operationally or economically?

c. Will contemplated changes to the activity's mission, task and/or functions alter property requirements?

d. Is all the property absolutely essential for program requirements?

e. Will local zoning provide sufficient protection for necessary buffer zones if a portion of the property is released?

f. Are buffer zones kept to an absolute minimum?

g. Is present property inadequate to serve contemplated future plans?

h. Can net savings be realized by the Navy through relocation considering property values, cost of moving, occupancy, and increased efficiency of operations?

i. Have developments on adjoining non-federally owned land or public access of road rights of way granted across government-owned land rendered the property of any portion thereof unsuitable or unnecessary for program requirements?

j. If federal employees and/or military personnel are housed in government-owned residential property, is the local market willing to acquire government-owned housing or can it provide the necessary housing and other related services, thereby enabling the government-owned housing area to be released?

k. Can the land be disposed of and program requirements satisfied through reserving rights and interests to the government in the property if it is released?

l. Is a portion of any property being retained primarily because the present boundaries are marked by the existence of fences, hedges, roads and utility systems?

m. Is any land being retained merely because it is considered undesirable property due to topographical features or encumbrances for rights-of-way?

n. Is land being retained merely because it is landlocked?

o. Is there land or space in Navy-owned buildings which can be made available for utilization by others within or outside the federal government on a temporary basis?

EXECUTIVE ORDER 11954 LAND UTILIZATION SURVEYS

1. General. Every naval activity within the geographic area discussed in the basic instruction with significant Class I or II real property holdings should expect a GSA real property utilization survey or re-survey under authority of E.O. 11954 at some time in the future.

Survey procedures for GSA involve an on-site survey of real property. These surveys consist of formal command briefings, ground level and aerial tours to view land holdings, discussions with responsible officials, and providing of detailed information related to land utilization. Results of all surveys are revealed via reports to the Secretary of the Navy. To avoid possibility of misunderstanding or premature publicity, preliminary findings are not normally discussed at the time of survey.

Prior to the actual survey, detailed guidance will be provided the activity Commanding Officer by the Office of the Chief of Naval Operations, in the form of official letter, message and field visits by Op-04E personnel, if appropriate.

2. Background

a. GSA Surveys. Commanding Officers will receive written notice 30 days prior to a GSA survey. Reference (b) provides the following direction relative to GSA surveys:

> "Surveys by GSA of the real property holdings of all executive agencies will be conducted by officials of the regional offices of GSA for the property within the geographic area of each region.
>
> "The head of the field office of the agency having accountability for the facility will be notified in advance of a scheduled GSA survey and furnished at that time with copies of these regulations.
>
> "The head of that field office shall arrange for an appropriate official of the executive agency having necessary authority, and who is sufficiently knowledgeable concerning the property and current and future program uses of the property to be available to assist the GSA representative in his survey.

"To facilitate the GSA survey, executive agencies shall:

"(i) Cooperate fully with GSA in its conduct of the surveys; and

"(ii) Make available to the GSA survey representative records and information pertinent to the description and to the current and proposed use of the property such as:

"(A) Brief description of facilities (number of acres, buildings, and supporting facilities);

"(B) The most recent utilization report or analysis made of the property including the written record of the annual review made by the agency, together with any supporting documents;

"Detail maps which show property boundaries, major land uses, improvements, safety zones, proposed uses, and regulations or other authorizations that sanction the usage made or proposed for individual parcels or the entire property; drawings; and layout plans.

"Upon receipt of notification of the pending GSA survey, the executive agency shall initiate action immediately to provide the GSA representative with an escort into classified or sensitive areas or to inform that representative of steps that must be taken to obtain necessary special security clearances or both."

3. Informal Surveys. In addition to and prior to formal GSA surveys, the GSA regional offices will usually conduct a "windshield" survey to make a determination of whether or not to perform a formal survey. Experience has shown that the windshield survey must be handled with utmost attention and seriousness, as proper preparation for and conduct of the windshield survey will often obviate a formal survey. While it is recognized that GSA will not necessarily want formal briefings and attention at the time of the windshield survey, the activity must make every effort to present, as a minimum, a clear picture of land utilization. A formal command briefing is perferable from a Navy viewpoint, but it may be difficult to get GSA concurrence to accept such detailed handling at the time. Historically, advance notice of a windshield survey has been only a few hours or a few days. The Secretary of Defense has obtained the concurrence

of the Administrator, GSA, to notify the Commanding Officer prior to conducting a windshield survey.

4. Procedures

a. Activity Commanding Officers shall implement the following procedures:

(1) Immediately notify the Chief of Naval Operations (Op-04E) via electronic means of a scheduled GSA field survey (either formal or informal), listing any problems anticipated during the survey.

(2) Notify the Chief of Naval Operations (Op-04E) if prevailing conditions and circumstances will delay or preclude admittance of the survey team.

(3) Make available, to the GSA field survey teams data and general information as required and accord them all necessary assistance and privileges (including escorts) incidental to effective completion of the survey tasks assigned to them.

(4) Present and fully justify to the GSA survey teams the Navy's use and need for the real property under present control or planned for future use. The data depicted on the activity land utilization map shall be utilized to the fullest extent.

(5) Provide information as necessary for SECNAV reply in concurrence or reclama of a survey recommendation that land be declared excess.

(6) Following final DOD decision regarding utilization, initiate appropriate disposal procedures. The Navy must submit a disposal report to the appropriate Congressional Committees within thirty days of this DOD decision.

b. Major Claimants shall provide planning and programming guidance to their activities to support their utilization studies and should provide comment/information as necessary for SECNAV reply to a GSA or DOD survey report.

c. The Engineering Field Divisions of the Naval Facilities Engineering Command may be called upon for planning and technical assistance related to Executive Order 11954

matters. However, it is incumbent upon each activity to prepare its own utilization reports and to represent the Navy's interest during the survey.

d. The Chief of Naval Operations will provide activity Commanding Officers with information and assistance in preparation for a GSA survey; will act as focal point for survey coordination within the Navy Department; and will provide a recorder for the Navy Real Property Steering Group.

ACTIVITY UTILIZATION MAP

1. General. Each naval activity shall maintain an activity land utilization map, indicating all real property on the plant account, including in-leases, out-leases, permits, licenses, easements, etc. (show as inserts on the same sheet or on separate sheets, if necessary.) The activity utilization map will be primarily used to identify distinctive area functions at the activity and for briefing purposes. *

2. Layout. The map shall be annotated to show the following: (a) Highlight all exterior boundary lines; (b) the total acreage contained; (c) existing land uses on the activity; (d) existing zoning or major land uses of adjoining property, such as residential, public park, or forest, woodland, cropland, grazing lands and commercial or industrial areas (name specific industries that may affect activity land use); (e) outline of area utilized by non-Navy parties and their utilization, such as agricultural leases; (f) aircraft clear zones, accident potential zones, flight safety zones and aviation easements required by specific criteria; (g) noise impact zone contours surrounding airfields; (h) Air Installations Compatible Use Zones (AICUZ); (i) explosive safety distances around storage and handling areas and facilities; and (j) Radio Frequency Interference (RFI) zones around receiver facilities and radiation hazardous zones around transmitting facilities. *

3. Color Coding. Functional areas shall be shaded with the following color codes, based on NAVFACINST 11010.63. These colors differ from those required by previous editions of this instruction, to provide some consistency with station master plans. Re-submission of annual review maps is not required if solely to update color scheme. However, only this color scheme shall be used for required updates.

a. Orange - Station boundaries shall be outlined with an outer black line, with a parallel inner orange band.

b. Pale Blue - All water areas, whether or not within Navy property, shall be shaded pale blue to facilitate interpretation of the map.

c. Pale Olive - Land recreation areas.

d. Cadmium Red - Built up land use areas, including administrative, hospital, berthing and messing, shops,

research and development, warehouse, waterfront and airfield operations.

e. Cadmium Yellow - All family housing areas.

f. Brick Beige - All operationally constrained or contaminated land, including:

(1) ESQD Requirements - Explosive quantity safety distance requirements shall be shown based on the actual, allowable explosive capacity of the structure as governed by existing railroads, public highways or station boundaries as opposed to the design capacity. The inhabited structure arc should be indicated, even though the allowable capacity of the magazine (or other facility) is limited by other factors, such as public highways, station boundaries and railroads.

(2) POL Storage - Petroleum, oil and lubricant storage safety areas shall also be identified and shown, as well as other areas of facilities requiring similar clearances.

(3) RFI and Radiation Hazards - Radio Frequency Interference and radiation hazardous zones should be identified and shown. Radio shall be indicated in feet. If the ESQD, safety or RFI arc falls outside the activity property line, the area should be cross hatched purpose and the waiver authority cited. If the arc falls upon another color coded area such as water (pale blue) or recreation (pale olive), apply purpose cross hatching over the other color.

(4) Clear zones, accident potential zones, noise zones and airfield clearance easements required by airfield safety criteria shall be identified. If this color falls upon another color coded function, apply red cross hatching over the other color. The extent of each aircraft noise and accident potential zone (AICUZ zones) shall be outlined with a solid dark red line.

(5) Firing Ranges - Firing ranges, including indications of the firing line and all impact and danger areas shall be shown.

(6) Contaminated areas - Areas considered contaminated because of chemicals, bomb disposal or impact, ordnance or radioactive material shall be shown.

g. Pale Red - Large land operational areas, such as training areas, maneuver areas or large drill fields.

4. Utilization. If the land is not utilized, is underutilized, or is not being put to optimum use as defined in enclosure (1), so indicate as follows: a. Not Utilized - color code white; b. Underutilized - use color code of specific area, cross hatch in black; c. Not being put to optimum use - use color code of specific area with explanatory note.

NAVFAC 11011/24 (10-72)
Supersedes NAVDOCKS 2507

DEPARTMENT OF THE NAVY
GENERAL PURPOSE LEASE
PART I

CONTRACT NUMBER N(IRI

LEASE BETWEEN

(HEREINAFTER CALLED "LESSEE") AND THE UNITED STATES OF AMERICA (HEREINAFTER CALLED THE "GOVERNMENT"), CONSISTING OF THIS PART I, THE GENERAL PROVISIONS OF PART II OF GENERAL PURPOSE LEASE (NAFVAC 11011/24A), ATTACHED HERETO AND MADE A PART HEREOF, AND SUCH SPECIAL PROVISIONS AS ARE INCORPORATED BY ARTICLE 8 OF THIS PART I

1. **LEASED PROPERTY:** UNDER THE TERMS AND CONDITIONS OF THIS LEASE, THE GOVERNMENT HEREBY LEASES TO THE LESSEE THAT PORTION OF THE
(HEREINAFTER CALLED THE "STATION") HEREINAFTER DESCRIBED, WHICH PORTION IS HEREINAFTER CALLED THE "LEASED PROPERTY",

AS DELINEATED ON THE MAP OF THE STATION, MARKED "EXHIBIT A", ATTACHED HERETO AND MADE PART HEREOF,

TOGETHER WITH ALL IMPROVEMENTS THEREON AND APPURTENANCES THEREUNTO BELONGING

TOGETHER WITH THOSE ITEMS OF PERSONAL PROPERTY IDENTIFIED ON THE LIST, MARKED "EXHIBIT B", ATTACHED HERETO AND MADE PART HEREOF

TOGETHER WITH RIGHTS OF INGRESS AND EGRESS AND THE RIGHT, IN COMMON WITH OTHERS, TO THE USE OF ALL SUPPORTING FACILITIES, ROADWAYS AND/OR RAILROAD TRACKS SERVING THE LEASED PROPERTY TO THE EXTENT NECESSARY TO ENABLE LESSEE TO USE SAME FOR THE PURPOSES OF THIS LEASE.

ATTACHED HERETO AND MADE PART HEREOF IS A CONDITION REPORT, MARKED "EXHIBIT C", SIGNED BY REPRESENTATIVES OF THE GOVERNMENT AND LESSEE, WHICH SETS FORTH THE CONDITION OF EACH ITEM OF THE LEASED PROPERTY AS DETERMINED FROM THEIR JOINT INSPECTION THEREOF

2. **TERM:** THE TERM OF THIS LEASE SHALL BEGIN ON _____ AND END ON _____, UNLESS SOONER TERMINATED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE F OR G OF PART II HEREOF

LESSEE MAY EXTEND THE TERM OF THIS LEASE FOR _____ ADDITIONAL PERIODS OF ONE (1) YEAR EACH BY DELIVERY TO THE LOCAL GOVERNMENT REPRESENTATIVE OF WRITTEN NOTICE OF ITS INTENTION TO EXTEND NO LATER THAN NINETY (90) DAYS PRIOR TO THE EXPIRATION OF THE THEN CURRENT TERM, *PROVIDED*, NO EXTENSION SHALL BE GRANTED WHICH CREATES A TOTAL TERM IN EXCESS OF FIVE (5) YEARS

3. **RENT:** LESSEE SHALL PAY THE GOVERNMENT AN ANNUAL RENTAL OF $ _____, PAYABLE _____ IN ADVANCE AT THE RATE OF $ _____ PER _____, IN CONFORMITY WITH THE PROVISIONS OF ARTICLE Y OF PART II HEREOF

4. **EXPENDITURES FOR LONG TERM MAINTENANCE:** THE "MAXIMUM AMOUNT TO BE EXPENDED" FOR ITEMS OF LONG TERM MAINTENANCE FOR WHICH LESSEE ASSUMES AN OBLIGATION IN ARTICLE 8 OF PART II HEREOF IS $ _____ PER ANNUM AND SHALL ACCRUE ON THE FIRST DAY OF EACH MONTH OF THE TERM OF THIS LEASE AT THE RATE OF $ _____ PER MONTH.

5. **USE:** THE SOLE PURPOSE FOR WHICH LESSEE SHALL USE THE LEASED PROPERTY, IN THE ABSENCE OF PRIOR WRITTEN APPROVAL OF THE GOVERNMENT FOR ANY OTHER USE, IS THE FOLLOWING

6. **INSURANCE:** THE INITIAL MINIMUM AMOUNTS AND TYPES OF INSURANCE WHICH LESSEE SHALL PROCURE AND MAINTAIN ON THE LEASED PROPERTY IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE C OF PART II HEREOF ARE THE FOLLOWING

FIRE AND EXTENDED COVERAGE	OTHER RISKS (Specify)	
	Type	$
	Type	$

LIABILITY		
BODILY INJURY		PROPERTY DAMAGE
$ per person	$ per accident	$ per accident

7. **PERFORMANCE BOND OR SECURITY:** TO SECURE THE FAITHFUL PERFORMANCE OF ITS OBLIGATIONS HEREUNDER LESSEE SHALL PROVIDE THE GOVERNMENT WITH EITHER (a) COLLATERAL SECURITY IN THE FORM OF CASH OR NEGOTIABLE GOVERNMENT BONDS, OR (b) A PERFORMANCE BOND ISSUED BY A CORPORATE SURETY AND SATISFACTORY TO THE GOVERNMENT IN ALL RESPECTS, IN THE AMOUNT OF $ _____ IF THE GOVERNMENT SHALL AT ANY TIME DETERMINE THAT AN INCREASE IN THE AMOUNT OF SECURITY IS NECESSARY TO MAKE SAME COMMENSURATE WITH LESSEE'S OBLIGATIONS HEREUNDER, LESSEE SHALL FURNISH SUCH ADDITIONAL SECURITY PROMPTLY UPON REQUEST

8. **SPECIAL PROVISIONS:** THERE ARE HEREBY INCORPORATED INTO THIS LEASE, BY ATTACHMENT HERETO, THE FOLLOWING SPECIFIED ADDITIONAL PROVISIONS WHICH SHALL BE CONTROLLING IN THE EVENT OF ANY CONFLICT WITH THE GENERAL PROVISIONS OF PART II OF THIS LEASE

9. **EXECUTION BY LESSEE**

NAME OF LESSEE _____

BY _____ _____
(Signature) (Witness)

_____ _____
(Title) (Date)

10. **FOR CORPORATE LESSEE, CERTIFICATION BY SECRETARY OR ASSISTANT SECRETARY OF THE CORPORATION**

I CERTIFY THAT THE PERSON WHO SIGNED THIS LEASE ON BEHALF OF LESSEE WAS THEN THE OFFICER INDICATED AND THIS AGREEMENT WAS DULY SIGNED FOR AND ON BEHALF OF SAID CORPORATION BY AUTHORITY OF ITS GOVERNING BODY AND IS WITHIN THE SCOPE OF ITS CORPORATE POWERS

(CORPORATE SEAL)

_____
(Signature)

_____
(Title)

11. **EXECUTION FOR AND ON BEHALF OF THE GOVERNMENT**

THE UNITED STATES OF AMERICA

BY _____
(Contracting Officer) (Date) (Witness)

12 **NAVY IDENTIFICATION DATA**

NAME AND ADDRESS OF NAVAL STATION	LOCAL GOVERNMENT REPRESENTATIVE/TITLE AND ADDRESS
ADDRESS OF LESSEE	

NAVFAC 11011/24 (BACK)

NAVFAC 11011/22 (Rev. 7-75)
Supersedes NAVDOCKS 2595 and 2596

DEPARTMENT OF THE NAVY LEASE FOR AGRICULTURAL OR GRAZING PURPOSES

CONTRACT NUMBER
NF(R)

LEASE BETWEEN

HEREINAFTER CALLED THE "LESSEE" AND THE UNITED STATES OF AMERICA, HEREINAFTER CALLED THE "GOVERNMENT."

THE GOVERNMENT HEREBY LEASES TO LESSEE THE PROPERTY DESCRIBED BELOW UNDER THE TERMS, CONDITIONS, GENERAL PROVISIONS AND SPECIAL PROVISIONS SET FORTH ON THIS PAGE AND SUBSEQUENT PAGES OF THIS LEASE FORM.

1. **LEASED PROPERTY:** ALL THAT PORTION OF THE NAVAL ACTIVITY IDENTIFIED IN ARTICLE 9, WHICH PORTION IS HEREINAFTER CALLED THE "PREMISES" AND DESCRIBED AS FOLLOWS

2. **TERM:** THE TERM OF THIS LEASE SHALL BEGIN ON AND END ON UNLESS SOONER TERMINATED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 10H HEREOF.

LESSEE MAY EXTEND THE TERM OF THIS LEASE FOR ADDITIONAL PERIODS OF ONE (1) YEAR EACH BY DELIVERY TO THE LOCAL GOVERNMENT REPRESENTATIVE OF WRITTEN NOTICE OF ITS INTENTION TO EXTEND NO LATER THAN NINETY(90) DAYS PRIOR TO THE EXPIRATION OF THE THEN CURRENT TERM, *PROVIDED*, NO EXTENSION SHALL BE GRANTED WHICH CREATES A TOTAL TERM IN EXCESS OF FIVE (5) YEARS

3. **RENT:** LESSEE SHALL PAY THE GOVERNMENT ANNUAL RENTAL OF $, PAYABLE IN ADVANCE OF THE RATE OF $ PER , IN CONFORMITY WITH THE PROVISIONS OF ARTICLE 10W HEREOF.

4. **USE:** THE PREMISES SHALL BE USED SOLELY FOR

5. **PERFORMANCE BOND OR SECURITY:** TO SECURE THE FAITHFUL PERFORMANCE OF ITS OBLIGATIONS HEREUNDER LESSEE SHALL PROVIDE THE GOVERNMENT WITH EITHER (a) COLLATERAL SECURITY IN THE FORM OF CASH OR NEGOTIABLE GOVERNMENT BONDS, OR (b) A PERFORMANCE BOND ISSUED BY A CORPORATE SURETY AND SATISFACTORY TO THE GOVERNMENT IN ALL RESPECTS, IN THE AMOUNT OF $

6. **EXECUTION BY LESSEE**

NAME OF LESSEE _____

BY _____ _____
(Signature) *(Witness)*

_____ _____
(Title) *(Date)*

7. **CERTIFICATION BY SECRETARY OR ASSISTANT SECRETARY OF CORPORATE LESSEE**

I CERTIFY THAT THE PERSON WHO SIGNED THIS LEASE ON BEHALF OF LESSEE WAS THEN THE OFFICER INDICATED AND THIS AGREEMENT WAS DULY SIGNED FOR AND ON BEHALF OF SAID CORPORATION BY AUTHORITY OF ITS GOVERNING BODY AND IS WITHIN THE SCOPE OF ITS CORPORATE POWERS.

(CORPORATE SEAL) _____ _____
(Signature) *(Title)*

8. **EXECUTION FOR AND ON BEHALF OF THE GOVERNMENT THE UNITED STATES OF AMERICA**

BY _____ _____ _____
(Contracting Officer) *(Date)* *(Witness)*

9. **NAVY IDENTIFICATION DATA**

NAME AND ADDRESS OF NAVAL ACTIVITY	LOCAL GOVERNMENT REPRESENTATIVE/TITLE AND ADDRESS
ADDRESS OF LESSEE	

10. GENERAL PROVISIONS

A. REPRESENTATIONS

Lessee has examined, knows and accepts the condition and state of repair of the Premises and all appurtenances thereto and acknowledges that the Government has made no representation concerning such condition and state of repair, nor any agreement or promise to alter, improve, adapt, repair or keep in repair such Premises and appurtenances, or any item thereof, which has not been fully set forth in this lease which contains all the agreements made and entered into between Lessee and the Government.

B. PROHIBITION OF FEDERAL SUBSIDY PARTICIPATION

Notwithstanding the uses permitted to it in Article 4 of this lease, Lessee shall at no time during the term of this lease, or any extension thereof, use the Premises or its interest therein in any manner which shall constitute direct participation in any subsidy program of the Federal Government relative to either the use or abstention from use of the Premises.

C. SUBJECTION TO GOVERNMENT LAND USE CONSERVATION PLAN

During the term of this lease the Lessee shall apply the conservation measures and use the Premises in accordance with the land use conservation plan attached hereto and made a part hereof. Lessee shall in no manner substantially change the contour or condition of the land constituting any part of the Premises except for such changes as shall be reasonably required to effect soil or water conservation measures.

D. INSTALLATIONS AND REMOVALS

Subject to the prior written approval of the Government, Lessee shall have the right to erect, at its own expense, such temporary structures on the Premises as may be necessary or incidental to its use thereof under this lease. All such structures shall remain the property of Lessee and Lessee shall remove same from the Premises prior to the expiration of the term of this lease, as the same may be extended, or the earlier termination thereof; *Provided*, in the event the Government shall terminate this lease upon less than thirty (30) days notice Lessee shall have thirty (30) days from receipt of notice of termination to accomplish such removal. All property not so removed shall be deemed abandoned by Lessee and may be used or disposed of by the Government in any manner whatsoever without any liability to account to Lessee therefor, but such abandonment shall in no way reduce any obligation of Lessee hereunder to restore the Premises.

E. SUBJECTION TO EXISTING AND FUTURE EASEMENTS AND RIGHTS-OF-WAY

This lease is subject to all outstanding easements and rights of way for location of any type of facility over, across, in and upon the Premises, or any portion thereof, and to the right of the Government to grant such additional easements and rights of way over, across, in and upon the Premises as it shall determine to be in the public interest, *Provided*, that any such additional easement or right-of-way shall be conditioned on the assumption by the Grantee thereof of liability to Lessee for such damages as Lessee shall suffer for crops or property destroyed or property rendered unusable on account of Grantee's exercise of its rights thereunder. There are also reserved to the Government, and its assignees, all mineral rights in the Premises, together with such rights of access and use of the surface as may be necessary for the mining and saving of any mineral deposits located thereon or thereunder. There are hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any Federal, State or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

F. RESTORATION OF PREMISES

Before the expiration of this lease or the prior termination thereof, Lessee shall, if required to do so by the Government, restore the Premises to the condition existing at the time of its entrance thereon under this lease, or to such improved condition as they may have been placed in by the Government or the Lessee during the term of this lease, reasonable wear and tear and damage by the elements or from other causes over which Lessee had no control excepted; *Provided*, in the event the Government shall terminate this lease upon less than thirty (30) days notice Lessee shall have thirty (30) days from receipt of notice of termination to accomplish such restoration.

G. LIENS

Lessee shall promptly discharge or cause to be discharged any valid lien, right *in rem*, claim or demand of any kind, except one in favor of the Government, which at any time may arise or exist with respect to the Premises or materials or equipment furnished therefor, or any part thereof, and if the same shall not be promptly discharged by Lessee, the Government may discharge, or cause to be discharged, the same at the expense of Lessee.

H. TERMINATION BY GOVERNMENT

The Government shall have the right to terminate this lease, in whole or in part, at any time, without prior notice, and regardless of any lack of breach by Lessee of any of the terms and conditions of this lease. In the event of termination for any reason not involving a breach by Lessee of the terms and conditions of the lease the Government shall make an equitable adjustment of any advance rentals paid by Lessee hereunder and, if the Government's use of the Premises does not require immediate possession thereof, Lessee shall be permitted, within such time as the Local Government Representative shall prescribe, to harvest, gather and remove from the Premises such crops as can be so harvested and removed, but if the Government's requirements necessitate immediate repossession of the Premises, so as to require immediate removal of Lessee's livestock, and/or,

to preclude Lessee from such harvesting and removal of any growing or matured crops. Lessee hereby specifically releases, remises, and forever discharges the Government from any and all liability or claims for loss or damage of any nature arising out of such termination and repossession, including, but not limited to, destruction of, diminution in value of, or inability to harvest any growing crops, and/or death or diminution of value of any livestock of Lessee.

In the event that the Government shall elect to terminate this lease on account of the breach by Lessee of any of the terms and conditions hereof no adjustment in advance rentals paid by Lessee shall be made, and the Government shall be entitled to recover and Lessee shall pay to the Government

(1) The costs incurred in resuming possession of the Premises

(2) The costs incurred in performing any obligation on the part of Lessee to be performed hereunder

(3) An amount equal to the aggregate of all rents and charges assumed hereunder and not theretofore paid, less the net rentals, if any, collected by the Government on the reletting of the Premises, which amounts shall be due and payable at the time when the rent reserved under this lease would become due and payable

The Government may, at its option, attach any livestock or crops of Lessee on the Premises in full or partial satisfaction of Lessee's obligations under this Article.

I. SURRENDER

Upon the expiration of this lease or its prior termination, in whole or in part, Lessee shall quietly, and peacefully remove itself and its property from the Premises, or part thereof as to which this lease shall be terminated, and surrender the possession thereat to the Government. Upon failure or neglect of Lessee to so remove, the Government and its officers or agents may enter the Premises and cause the removal of all persons and property therefrom without recourse to any action or proceeding at law or in equity. Lessee hereby expressly waives any provision of law requiring notice to quit possession of the Premises. Such removal shall be at the sole cost and expense of Lessee and Lessee shall indemnify and save and hold harmless the Government, its officers, agents and employees for and from any and all liability or claims for damages of any nature whatsoever which may arise out of or be attributable to such removal.

J. DAMAGE TO GOVERNMENT PROPERTY

In the event of the destruction of or damage to any Government property located on or adjacent to the Premises by Lessee, or any of its officers, agents, servants, employees, subtenants, licensees or invitees, Lessee shall promptly repair or replace such property to the satisfaction of the Government, or pay to the Government an amount of money sufficient to compensate it for the loss or damage sustained, as the Government shall elect.

K. NON-LIABILITY OF GOVERNMENT

Lessee covenants that it will indemnify and save and hold harmless the Government, its officers, agents and employees for and from any and all liability or claims for loss of or damage to any property owned by or in the custody of Lessee, its officers, agents, servants, employees, subtenants, licensees or invitees, or for the death of or injury to any of the same which may arise out of or be attributable to the condition, state of repair or Lessee's use and occupancy of the Premises, or the furnishing of any utilities or services (including supply of water from wells or other sources), or any interruption therein or failure thereof, whether or not the same shall be occasioned by the negligence or lack of diligence of Lessee, its officers, agents, servants or employees.

L. UTILITIES AND SERVICES

In the event that the Government shall furnish Lessee with any utilities and services maintained by the Government which Lessee may require in connection with its use of the Premises, Lessee shall pay the Government the charges therefor in addition to the cash rent required under this lease. Such charges and the method of payment thereof shall be determined by the Local Government Representative in accordance with applicable laws and regulations, on such basis as the Local Government Representative may establish, which may include a requirement for the installation of adequate connecting and metering equipment at the sole cost and expense of Lessee. It is expressly agreed and understood that the Government in no way warrants the continued maintenance or adequacy of any utilities or services furnished by it to Lessee.

M. ACCESS

The Government shall have access to the Premises at all reasonable times for any purposes not inconsistent with the quiet use and enjoyment thereof by Lessee, including, but not limited to, the purpose of inspection.

N. COVENANT AGAINST CONTINGENT FEES

Lessee warrants that no person or agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this lease without liability or in its discretion to require Lessee to pay, in addition to the rental or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

O. STATE AND LOCAL TAXES

In the event that as a result of any future Act of Congress, subjecting Government-owned property to taxation, any taxes, assessments or similar charges are imposed by State or local authorities upon the Premises (other than upon Lessee's possessory interest therein), Lessee shall pay the same when due and payable and this lease shall be renegotiated so as to accomplish an equitable reduction in the rental provided for herein, which reduction shall in no event exceed the amount of such taxes, assessments, or similar charges, *Provided*, in event the parties hereto are unable to agree within ninety (90) days from the date of the imposition of such taxes, assessments, or similar charges, upon a rental which in the opinion of the Local Government Representative constitutes a reasonable return to the Government on the Premises, then in such event the Local Government Representative shall have the right to determine the amount of the rental, which determination shall be binding on Lessee, subject to appeal as a dispute in accordance with the provisions of paragraph P of this Article 10.

P. DISPUTES

(a) Except as otherwise provided in this lease, any dispute concerning a Question of Fact arising under this lease which is not disposed of by agreement shall be decided by the Commander, Naval Facilities Engineering Command, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the lessee. The decision of the Commander, Naval Facilities Engineering Command shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the lessee mails or otherwise furnishes to the Commander, Naval Facilities Engineering Command a written appeal addressed to the Secretary of the Navy. The decision

of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive. This provision shall not be pleaded in any suit involving a question of fact arising under this lease as limiting judicial review of any such decision to cases where fraud by such official or his representative or board is alleged: *Provided, however*, that any such decision shall be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith or is not supported by substantial evidence. In connection with any appeal proceeding under this clause, the lessee shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, the lessee shall proceed diligently with the performance of the lease and in accordance with the decision of the Commander, Naval Facilities Engineering Command.

(b) This "Disputes" clause does not preclude consideration of questions of law in connection with decisions provided for in paragraph (a) above. Nothing in this lease, however, shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

Q. OFFICIALS NOT TO BENEFIT

No Member of or Delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this lease, or to any benefit to arise therefrom but this provision shall not be construed to extend to this lease if made with a corporation for its general benefit.

R. LABOR PROVISION

(1) Equal Opportunity

During the term of this lease the lessee agrees as follows:

(a) The lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The lessee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship. The lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause.

(b) The lessee will, in all solicitations or advertisements for employees placed by or on behalf of the lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(c) The lessee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided by the government, advising the labor union or worker's representative of the lessee's commitments under this Equal Opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The lessee will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The lessee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records, and accounts by the Government and the Secretary of Labor for purposes of investigating to ascertain compliance with such rules, regulations and orders.

(f) In the event of the lessee's noncompliance with the Equal Opportunity clause of this lease or with any of said rules, regulations, or orders, this lease may be cancelled, terminated or suspended in whole or in part and the lessee may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The lessee will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, so that such provisions will be binding upon each sublessee or vendor. The lessee will take such action with respect to any sublessee or purchase order as the Government may direct as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however*, that in the event the lessee becomes involved in, or is threatened with, litigation with sublessee or vendor as a result of such direction by the Government, the lessee may request the United States to enter into such litigation to protect the interests of the United States.

(2) Convict Labor

In connection with the performance of work required by this lease, Lessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

(3) Contract Work Hours Standards Act (40 U.S. Code 327-330)

This lease, to the extent that it is a contract of a character specified in the Contract Work Hours Standards Act (40 U.S.C. 327-330) and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and exceptions of said Contract Work Hours Standards Act and to all other provisions and exceptions of said law:

(a) The Lessee shall not require or permit any laborer or mechanic in any workweek in which he is employed on any work under this contract to work in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek on work subject to the provisions of the Contract Work Hours Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek, whichever is the greater number of overtime hours. The "basic rate of pay," as used in this clause, shall be the amount paid per hour, exclusive of the Lessee's contribution or cost for fringe benefits and any cash payment made in lieu of providing fringe benefits, or the basic hourly rate contained in the wage determination, whichever is greater.

(b) In the event of any violation of the provisions of paragraph (a), the Lessee shall be liable to any affected employee for any amounts due, and to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph (a) in the sum of $10 for each calendar day on which such employee was required or permitted to be employed on such work in

excess of 8 hours or in excess of the standard workweek of 40 hours without payment of the overtime wages required by paragraph (a).

S. NOTICES

No notice, order, direction, determination, requirement, consent, or approval under this lease shall be of any effect unless in writing. All notices required under this lease shall be addressed to Lessee, or to the Local Government Representative, as may be appropriate, at the address thereof specified in Article 9 of this lease or at such other address as may from time to time be agreed upon by the parties hereto.

T. FAILURE OF GOVERNMENT TO INSIST ON COMPLIANCE

The failure of the Government to insist, in any one or more instances, upon performance of any of the terms, covenants or conditions of this lease shall not be construed as a waiver or relinquishment of the Government's right to the future performance of any such terms, covenants or conditions and Lessee's obligations in respect to such future performance shall continue in full force and effect.

U. ASSIGNMENT OR SUBLETTING

Lessee shall not transfer or assign this lease or any interest therein nor sublet or otherwise make available to any third party or parties any portion of the Premises or rights therein without the prior written consent of the Government. Under any assignment made, with or without consent, the assignee shall be deemed to have assumed all the obligations of Lessee hereunder, but no assignment shall relieve the assignor of any of Lessee's obligations hereunder except for an extension of the lease term beginning after such assignment, and then only if the Government shall have consented thereto.

V. GOVERNMENT RULES AND REGULATIONS

Lessee shall comply with such rules and regulations regarding station security, ingress, egress, safety and sanitation as may be prescribed, from time to time, by the Local Government Representative, or by the Commanding Officer of the Naval activity of which the Premises forms a part.

W. PAYMENTS

All payments to the Government required under this lease shall be made by check or postal money order made payable to the Department of the Navy and delivered to the Local Government Representative.

X. INTEREST

Notwithstanding any other provision of this lease, unless paid within thirty (30) days, all amounts that become payable by the Lessee to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code) shall bear interest from the date due until paid and shall be subject to adjustments as provided by Part 6 of Appendix F of the Armed Services Procurement Regulation, as in effect on the date of this lease. The interest rate per annum shall be the interest rate in effect which has been established by the Secretary of the Treasury pursuant to Public Law 92-41, 85 STAT 97 for the Renegotiation Board, as of the date the amount becomes due as herein provided. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this contract; (ii) the date of the first written demand for payment, consistent with this lease, including demand consequent upon default termination, or (iii) the date of transmittal by the Government to the Lessee of a proposed supplemental agreement to confirm completed negotiations fixing the amount.

Y. ADMINISTRATION

The local Government Representative specified in Article 9 of this lease shall, under the direction of the Commander, Naval Facilities Engineering Command, have complete charge of the administration of this lease, and shall exercise full supervision and general direction thereof insofar as the interests of the Department are affected.

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11. SPECIAL PROVISIONS

The following specified additional provisions, which shall control in the event of any conflict with the General Provisions of Article 10, are hereby incorporated into this lease by attachment hereto.

LICENSE FOR NONFEDERAL USE OF REAL PROPERTY
NAVFAC 11011/28 (6-75) *(Supersedes NavDocks 2260)*

THIS LICENSE TO USE THE U S GOVERNMENT PROPERTY HEREIN DESCRIBED IS ISSUED BY THE DEPARTMENT OF THE NAVY TO THE LICENSEE NAMED BELOW FOR THE PURPOSE HEREIN SPECIFIED UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND THE GENERAL PROVISIONS ON THE REVERSE SIDE HEREOF BY THE EXECUTION HEREOF THE LICENSEE AGREES TO COMPLY WITH ALL SUCH TERMS, CONDITIONS AND GENERAL PROVISIONS

LICENSE NUMBER

1. NAVAL ACTIVITY *(Property location)*	2. DATES COVERED *(Inclusive)* FROM	TO

3. DESCRIPTION OF PROPERTY *(Include room and building numbers where appropriate)*

4. PURPOSE OF LICENSE

5. LICENSOR	5a. LOCAL REPRESENTATIVE, DEPT OF NAVY OFFICIAL *(Title and address)*
UNITED STATES OF AMERICA DEPARTMENT OF THE NAVY	
6. LICENSEE *(Name and address)*	6a. LOCAL REPRESENTATIVE *(Name and address)*

7. CASH PAYMENT BY LICENSEE (Payable in advance)
(If no cash payment is required, enter "None" under item 7a "Amount")

a. AMOUNT *(Each payment)*	b. FREQUENCY PAYMENTS DUE	c. FIRST DUE DATE	d. TO *(Title and address of local representative of the Government)*

8. DEPOSIT FOR UTILITIES AND SERVICES (Payable in advance)
(If no cash payment is required, enter "None" under item 8a "Amount")

a. AMOUNT *(Each deposit)*	b. FREQUENCY PAYMENTS DUE	c. FIRST DUE DATE	d. TO *(Mailing address)*

9. INSURANCE REQUIRED AT EXPENSE OF LICENSEE
(If any or all insurance requirements have been waived, enter "None" in a,b,c, or d as appropriate)

TYPE	MINIMUM AMOUNT	TYPE	MINIMUM AMOUNT
a. FIRE AND EXTENDED COVERAGE	$	c. THIRD PARTY PERSONAL INJURY PER PERSON	$
b. THIRD PARTY PROPERTY DAMAGE	$	d. THIRD PARTY PERSONAL INJURY PER ACCIDENT	$

10. GENERAL PROVISIONS *(See Reverse Side)*

11. EXECUTION OF LICENSE

FOR	BY		DATE
	NAME AND TITLE *(Typed)*	SIGNATURE	
DEPARTMENT OF THE NAVY			
LICENSEE			

If Licensee is a Corporation, Certification of signature is attached ☐

a. The Licensor hereby grants to the Licensee the right to use the premises or facilities described in item 1, together with the necessary rights of ingress and egress.

b. This License shall be effective for the period stated in item 2 and is revocable at any time without notice at the option and discretion of the Licensor or its duly authorized representative.

c. The use shall be limited to the purposes specified herein.

d. This License shall be neither assignable nor transferable by the Licensee.

e. If utilities and services are furnished the Licensee for its use of the premises the Licensee shall reimburse the Licensor for the cost thereof as determined by the Licensor in accordance with applicable statutes and regulations.

f. The Licensee, at its own cost and expense, shall protect, maintain, and keep in good order, the premises or facilities licensed hereby. At the discretion of the Licensor this obligation shall include, but not be limited to, contribution toward the expense of long-term maintenance of the premises or facilities, the necessity for which accrued during the period of Licensee's use. The amount of expense to be borne by the Licensee shall be determined by prorating the total expense of the item of long-term maintenance on the basis of fractional use by the Licensee. This fractional part of the total expense shall be prorated further if the item of long-term maintenance did not accrue in its entirety during the Licensee's use. Upon a determination by the Licensor that the necessity exists for an expenditure of funds for maintenance, protection, preservation or repair, the Licensee shall pay to the Licensor its proportionate share, on demand.

g. No additions to, or alterations of, the premises or facilities shall be made without the prior consent of the Licensor. Upon revocation or surrender of this License, to the extent directed by the Licensor, the Licensee shall remove all alterations, additions, betterments and improvements made, or installed, and restore the premises or facilities to the same, or as good condition as existed on the date of entry under this License, reasonable wear and tear excepted.

h. The Licensee shall be liable for any loss of, or damage to, the premises or facilities incurred as a result of its use and shall make such restoration or repair, or monetary compensation as may be directed by the Licensor. The Licensee's liability for loss or damage to the premises resulting from risks expressly required to be insured hereunder shall not exceed the amount of insurance so required. The Licensee shall not be liable for loss of, or damage to, the premises arising from causes beyond the control of the Licensee and occasioned by a risk not in fact covered by insurance and not customarily covered by insurance in the locality in which the premises are situated. Nothing contained herein, however, shall relieve the Licensee of liability with respect to any loss or damage to the premises, not fully compensated for by insurance, which results from willful misconduct, lack of good faith, or failure to exercise due diligence, on the part of the Licensee. All insurance required of the Licensee on the premises shall be for the protection of the Licensor and the Licensee against their respective risks and liabilities in connection with the premises. Each policy of insurance against loss or damage to Government property shall name the Licensee and the United States of America, Department of the Navy, as the insured and shall contain a loss payable clause reading substantially as follows:

"Loss, if any, under this policy shall be adjusted with (Name of Licensee) and the proceeds, at the direction of the Government, shall be payable to (Name of Licensee), and proceeds not paid to (Name of Licensee) shall be payable to the Treasurer of the United States of America."

In the event that any item or part of the premises or facilities shall require repair, rebuilding or replacement resulting from loss or damage, the risk of which is assumed under this paragraph h, the Licensee shall promptly give notice thereof to the Licensor and, to the extent of its liability as provided in this paragraph, shall, upon demand, either compensate the Government for such loss or damage, or rebuild, replace or repair the item or items of the premises or facilities so lost or damaged, as the Licensor may elect. If the cost of such repair, rebuilding, or replacement exceeds the liability of the Licensee for such loss or damage, the Licensee shall effect such repair, rebuilding or replacement if required so to do by the Licensor, and such excess of cost shall be reimbursed to the Licensee by the Licensor. In the event the Licensee shall have effected any repair, rebuilding or replacement which the Licensee is required to effect pursuant to this paragraph, the Licensor shall direct payment to the Licensee of so much of the proceeds of any insurance carried by the Licensee and made available to the Government on account of loss of or damage to any item or part of the premises or facilities as may be necessary to enable the Licensee to effect such repair, rebuilding or replacement. In event the Licensee shall not have been required to effect such repair, rebuilding, or replacement, and the insurance proceeds allocable to the loss or damage which has created the need for such repair, rebuilding or replacement have been paid to the Licensee, the Licensee shall promptly refund to the Licensor the amount of such proceeds.

i. The Licensee shall indemnify and save harmless the Government, its officers, agents, servants and employees from all liability under the Federal Tort Claims Act (62 Stat. 869, 982, 28 U.S.C. Sec. 2671, 2680) or otherwise, for death or injury to all persons, or loss or damage to the property of all persons resulting from the use of the premises by the Licensee, and shall furnish the insurance specified in Item 9. Each policy of insurance required in Item 9 covering bodily injuries and third party property damage shall contain an endorsement reading substantially as follows:

"The insurer waives any right of subrogation against the United States of America which might arise by reason of any payment made under this policy."

j. All insurance required by this License shall be in such form, for such periods of time, and with such insurers as the Licensor may require or approve. A certificate of insurance or a certified copy of each policy of insurance taken out hereunder shall be deposited with the Licensor's local representative prior to use of the premises and facilities. The Licensee agrees that not less than thirty (30) days prior to the expiration of any insurance required by this License, it will deliver to the Licensor's local representative a certificate of insurance or a certified copy of each renewal policy to cover the same risks.

k. No member of or Delegate to Congress, or Resident Commissioner shall be admitted to any share or part of this License or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this License if made with a corporation for its general benefit.

l. The Licensee warrants that it has not employed any person to solicit or secure this License upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to annul this License or in its discretion to recover from the Licensee the amount of such commission, percentage, brokerage or contingent fee in addition to the consideration herein set forth. This warranty shall not apply to commissions payable by the Licensee upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Licensee for the purpose of securing business.

m. In connection with the performance of work under this License, the Licensee agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Licensee agrees to post hereafter in conspicuous places available for employees and applicants for employment, notices to be provided by the Licensor setting forth the provisions of the nondiscrimination clause. The Licensee further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commerical supplies or raw materials.

n. All activities authorized hereunder shall be subject to such rules and regulations as regards supervision or otherwise, as may, from time to time, be prescribed by the local representative of the Licensor as designated in Item 5a.

APPENDIX F
HOST-TENANT REAL ESTATE AGREEMENT

_____
(Installation)

THIS AGREEMENT between the Department of the _____ (hereinafter called HOST) and the Department of the _____ (hereinafter called TENANT) provides for the use by the Tenant of Facilities at the _____, in connection with the _____.

1. TENANT shall have exclusive use of the areas, containing _____ acres, more or less, delineated with legend on Drawing No. _____, marked Exhibit "A", attached hereto and made a part hereof, (add buildings and cite other other exhibits as appropriate);

2. TENANT shall have the right to use in common with HOST, and with such other parties as HOST may authorize:

(a) An area of _____ acres, more or less, delineated with legend on said Exhibit "A", (add buildings and cite other exhibits as appropriate);

(N.B. - Code 071 normally will have NAVFAC EFD responsibility for processing and preparation of this document.)

(b) All roads (other than that described in Exhibit "__") and all water, electric power, and signal lines, as shown on said Exhibit "A".

3. Siting of TENANT facilities shall conform with the Station Master Plan except as otherwise provided in writing by HOST. Standards of design and construction shall conform with criteria and directives of HOST.

4. Property accounting shall be in accordance with procedures prescribed by Navy Comptroller Manual (Ref. DODINST 4165.14 of 21 December 1966). Financial responsibility for maintenance of real property used under this Agreement shall be in accordance with SECNAVINST 7020.4B/AR37-19/AFR 172-3 of 22 April 1969; and SECNAVINST 4000.20B/AR 1-35/ AFR 400-27 of 29 June 1973.

5. In addition to this Host-Tenant Real Estate Agreement, there also shall be a separate Interservice Support Agreement prescribing the respective operations and services to be performed by HOST and TENANT. The financial responsibilities under the Support Agreement shall be in accordance with SECNAVINST 7020.4B/AR 37-19/AFR 172-3 of 22 April 1969, and SECNAVINST 4000.20B/AR 1-35/AFR 400-27 of 29 June 1973.

6. Prior to the initiation of any major structural changes in a building and/or demolition or removal of a structure, TENANT shall obtain written authorization therefor from HOST. Upon revocation, expiration or surrender of this Agreement, and to the extent directed by HOST, TENANT shall remove all alterations, additions, betterments and improvements made, or installed, and restore the premises or facilities to the same or as good condition as existed on the date of entry under this Agreement, reasonable wear and tear excepted. (When appropriate, the following optional paragraph 6 should be used in place of the foregoing:)

7. Prior to the initiation of any major structural changes in a building and/or demolition or removal of a structure, TENANT shall obtain written authorization therefor from HOST. Permanent structural changes additions or installations accomplished and financed by TENANT during occupancy shall remain in place (and be left in condition comparable with

the rest of the building or structure). Temporary structural changes, additions, alterations or installations may be removed by TENANT, at its option, after giving notice of its intent, provided that, if removal is accomplished, the building or structure shall be returned to its original condition, upon the request of HOST.

8. The land and improvements, existing and to be constructed, shall be carried on the Inventory of Military Real Property of the HOST. (NOTE: If new construction is to be carried on the Inventory of the TENANT, this paragraph shall be modified to so state.)

THIS AGREEMENT shall be effective _____ and remain in effect until _____*_____, unless sooner terminated by the Secretary of the _____. (*NOTE: For Agreements of indefinite term, state "until terminated by mutual consent.")

FOR THE DEPARTMENT OF THE

_____

Concurrences:

By_____

_____ _____

(CO, HOST Unit) (Date)

_____

(Date)

FOR THE DEPARTMENT OF THE

_____ _____

(CO, TENANT Unit)

By_____

_____ _____

(Date) (Date)

INTRASERVICE SUPPORT AGREEMENT

SUPPORT AGREEMENT

1. DOCUMENT IDENTIFIER ("X" one): ☐ NEW ☐ ANNUAL UPDATE ☒ REVISION ☐ DELETION
2. AGREEMENT DATE (Mo. & Yr.): 0375
3. SUPPLYING ACTIVITY (Name & Complete Address): Commanding Officer, Naval Construction Battalion Ctr., Port Hueneme, CA 93043
3a. MAJOR CMD CODE: N00025
3b. SUBORDINATE COMMAND CODE: N62583
4. SUPPORT AGREEMENT NUMBER (DODAAD, Ordinal Date, Serial Number)
4a. PRESENT: N62583-75084-107
4b. SUPERSEDED: N62583-005-0
5. TYPE OF AGREEMENT ("X" one): ☐ INTERSERVICE ☐ INTERDEPARTMENTAL ☒ OTHER
6. EFFECTIVE DATE (Mo. & Yr.): 1 June 1975
7. TERMINATION DATE (Mo. & Yr.): 31 May 1978
8. RECEIVING ACTIVITY (Name & Complete Address): Commanding Officer, Naval School Civil Engineer Corps Officers, Port Hueneme, CA 93043
8a. DODAAC NUMBER:
8b. MAJOR CMD CODE:
8c. SUBORDINATE CMD CODE:

9. SUPPORT AGREEMENT RESOURCE SUMMARY

a. CATEGORIES (See reverse for codes)	HOST b. MAN YEARS MILITARY	HOST b. MAN YEARS CIVILIAN	HOST c. GROSS ADDITIONAL COST	TENANT d. MAN YEARS MILITARY	TENANT d. MAN YEARS CIVILIAN	TENANT e. VALUE OF RESOURCES PROVIDED BY THE TENANT
AA						
AW						
BB						
BC						
AB-AC-AH	Common Service Items					
AI-AJ-AM						
AO-AP-AX						
BD-SG-SN						
TOTAL			-			-
f. NET ADDITIONAL COSTS →			-	g. NET ADDITIONAL COSTS →		-

10. SAVINGS ACCRUED AND/OR COSTS INCURRED TO FEDERAL GOVERNMENT

SAVINGS	COSTS	REMARKS
-	-	-

11. FUNDING & REIMBURSEMENT ARRANGEMENT

12a. COMPTROLLER SIGNATURE CONCURRENCE (Supplier): E. M. Rostchar

12b. COMPTROLLER SIGNATURE CONCURRENCE (Receiver):

14. TYPED NAME & POSITION OF LOCAL OFFICIAL FOR SUPPLIER	14a. SIGNATURE	14b. DATE
15. TYPED NAME & POSITION OF LOCAL OFFICIAL FOR RECEIVER	**15a. SIGNATURE**	**15b. DATE**
O.L. DIXON III, CAPTAIN, CEC, USN COMMANDING OFFICER	O L Dixon III	4 April 75
16. TYPED NAME & POSITION OF SUPPLIER APPROVING AUTHORITY	**16a. SIGNATURE**	**16b. DATE**
P. W. Forehand, Captain, CEC, USN Commanding Officer	P W Forehand	4/5/75
17. TYPED NAME & POSITION OF RECEIVER APPROVING AUTHORITY	**17a. SIGNATURE**	**17b. DATE**

DD FORM 1 FEB 75 1144 S/N 0102-011-0902 EDITION OF 1 SEP 70 IS OBSOLETE SHEET 1 OF 9 SHEETS

Categories of Support Services Administrative and Logistical Support Services

AA	Computer & Data Processing
AB	Finance & Accounting
AC	Military/Civilian Personnel
AD	Legal
AE	Mail Pick-up and Delivery
AF	Custodial
AG	Purchasing/Contracting
AH	Fire Protection
AI	Police Protection
AJ	Housing/Lodging
AK	Laundry/Dry Cleaning
AL	Medical/Dental
AM	Messing
AN	Storage/Warehousing
AO	Transportation
AP	Utilities
AQ	Mortuary
AR	Stevedoring
AS	Calibration of Precision Instr.
AT	Terminal Operations
AU	Administrative Office Space
AV	Education Services
AW	Civil Engineering
AX	Property Disposal Services
AY	Administrative Services
AZ	Information Office Services
BA	Religious Services/Chaplain
BB	Safety
BC	Communication Services
BD	Community Services
BE	Logistic Air Support
BF	Officer/NCO Club Service
BG	Social Actions
BH	Search & Rescue
BI	Test & Evaluation
BJ	Weather Service
BK	Aerial/Photography
BL	Geodetic Support

SUPPLY SUPPORT CATEGORIES		MAINTENANCE SUPPORT CATEGORIES
SA	Aircraft	MA
SB	Aircraft Equipment & Components	MB
SC	Ammunition	MC
SD	Ordnance Equipment & Components	MD
SE	Clothing & Textiles	ME
SF	Communication Equipment & Components	MF
SG	Vehicles	MG
SH	Vehicular Equipment & Components	MH
SI	Construction Equipment & Components	MI
SJ	Materials Handling Equipment & Components	MJ
SK	Fire Fighting Equipment & Components	MK
SL	Electrical Equipment & Components	ML
SM	Electronic Equipment & Components	MM
SN	General Supplies	MN
SO	Medical/Dental Equipment & Components	MO
SP	Missiles	MP
SQ	Missile Equipment & Components	MQ
SR	Parachutes	MR
SS	Photographic Equipment & Components	MS
ST	Petroleum, Oils, Lubricants & Chemicals	MT
SU	Railroad Equipment & Components	MU
SV	Ships & Vessels	MV
SW	Subsistence Supplies	MW
SX	Life Support Equipment	MX
SY	Office Machine Repair	MY
SZ	Industrial Plant Equipment	MZ

INTRASERVICE SUPPORT AGREEMENT

General. The parties of this agreement are the Commanding Officer, Naval Construction Battalion Center, Port Hueneme, alifornia, hereinafter referred to as the HOST, and the Commanding Officer, Naval School Civil Engineer Corps Officers, ort Hueneme, California, hereinafter referred to as the TENANT.

Authority. This agreement is entered into pursuant to the following directives and letters insofar as they are applicable

a. NAVCOMPT Manual, Volume 7.

b. NAVFACINST 11011.51, Subj: Host-Tenant Real Estate Agreements, Interservice and Intraservice Support Agree ent, preparation and execution of.

c. CNTECHTRAINST 5450.21, Subj: Naval School CEC Officers, mission and functions of.

d. Defense Retail Interservice Support Manual, DOD 4000.19M.

e. Admiral Ben Moreell, CEC, USN (Ret) ltr of 19 May 1969.

f. COMNAVFACENGCOM ltr 0652/WPD ser 249 of 24 April 1974, Subj: Publication Supervision of the Navy Civil ngineer Magazine.

. Terms and Conditions

a. The primary support responsibilities as provided under the provisions of this agreement are listed in Appendix I, /ith reimbursement as indicated.

b. Support services will be provided consistent with the capabilities and resources of the HOST.

c. The cost of services and work performed will be funded on a properly executed DoD funding document on a quarterly basis. Billings will be issued monthly on a Standard Form 1080 for reimbursable items accrued during the preceding nonth.

d. The TENANT will comply with all HOST directives and regulations applicable to the support services provided

e. Reimbursement by the TENANT will be limited to the additional costs incurred by the HOST as a result of support nd services provided to the TENANT when they can be identified without unreasonable expense or difficulty.

I. Review, Revision, Modification or Cancellation

a. This agreement will be reviewed at least annually by each party to evaluate its effectiveness and currency and to determine need for modifications.

b. This agreement is subject to modification prior to annual review by written request forwarded by one party to another at least 90 days prior to the effective date of such modification

c. Notification of the intention of either party to terminate this agreement will be by written notice to the other party normally at least 180 days prior to the effective date of termination

d. In the event of mobilization or other emergency, this agreement shall remain in force subject to normal cancellation provisions.

e. None of the terms or provisions of this agreement are intended to conflict with or supersede instructions from higher authority. In the event such a conflict exists/arises, the cognizant party will initiate modification action to eliminate such conflict.

CATEGORY OF SUPPORT		HOST WILL	TENANT WILL
AA	Computer and Data Processing	Provide services as requested.	Reimburse HOST for all costs.
AB	Finance and Accounting	Provide accounting and payroll services.	Provide HOST all accounting information and/or documents required in support of TENANT requirements.
AC	Military/Civilian Personnel	a. Provide all military personnel administrative services.	a. - - - - -
		b. Provide civilian personnel services as stipulated in attached Civilian Personnel Staff Services Agreement	b Comply with the terms of the Civilian Personnel Staff Services Agreement.
AH	Fire Protection	Provide firefighting and prevention services.	- - - - -
AI	Police Protection	Provide normal security services, including investigations, personnel and vehicle passes, and identification cards.	- - - - -
AJ	Housing/Lodging	Provide family housing, BOQ/BEQ accommodations on the same basis as provided for HOST personnel.	- - - - -
AM	Messing	Provide messing facilities for enlisted personnel.	- - - - -
AO	Transportation	Provide on-Center taxi service.	- - - - -
AP	Utilities	Provide utilities, both purchased and station generated.	- - - - -
AW	Civil Engineering	a. Provide all normal cyclical maintenance and repair of plant facilities to ensure the structural integrity of the plant	a. Reimburse HOST for all alterations, improvements, and additions to the plant requested by the TENANT
		b. Maintain and repair office furniture and fixtures, classroom and training devices, and other minor property, including installation and/or moving.	b. Reimburse HOST for all costs.
		c. Provide janitorial supplies, pest control, trash and refuse removal	c. - - - - -

CATEGORY OF SUPPORT		HOST WILL	TENANT WILL
		d. Perform facilities planning, project preparation, planning and estimating and engineering services as requested.	d. - - - - -
AY	Administrative Services	Exercise overall administrative control over entire Center and facilities including jointly used HOST land and facilities.	Exercise administrative control over TENANT facilities. Exercise operational control over buildings and facilities assigned for exclusive use of TENANT.
BB	Safety	a. Provide automotive accident and industrial accident (personnel) investigations	a - - - - -
		b. Administer a Center-wide Safety and Accident Prevention Program. Perform periodic inspections, surveys, safety engineering studies, job hazard analyses, and safety presentations. Administer the Federal Employees Compensation Act and Industrial Health Care Programs	b - - - - -
		Provide industrial accident investigation services (government material loss). Provide for maintenance of safety equipment.	- - - - -
		c. Provide protective equipment, including safety glasses, as requested and available, and promotional and training material	c. Reimburse HOST for readily identifiable labor, material, and contract professional service costs.
BC	Communication Services	Make available such existing telephone service as may be required to conduct normal business.	Reimburse HOST for TENANT toll calls.
BD	Community Services	Provide exchange stores, clubs, recreation facilities, legal services, and other personnel services/facilities on the same basis as provided for HOST personnel	- - - - -

CATEGORY OF SUPPORT		HOST WILL	TENANT WILL
SG	Vehicles	Provide general and special purpose vehicles as available from HOST allowance.	- - - - -
SN	General Supplies	Provide supply services including but not limited to the facilities for requisitioning, supplying and procuring general stores items and local purchases, etc.	- - - - -
Miscellaneous		Provide TENANT with miscellaneous services as requested.	Reimburse HOST for miscellaneous out-of-pocket costs incurred as a result of TENANT requests provided that these costs can be readily identified.

AGREEMENT OF CIVILIAN PERSONNEL SERVICES TO BE RENDERED CECOS BY CBC

1. Pursuant to the responsibility of command and consistent with the spirit and intent of the Civilian Manpower Management Instructions, this agreement sets forth the basic policy on the civilian personnel services rendered to CECOS by CBC. This agreement also establishes the specific services to be furnished by CBC to CECOS. This agreement is founded upon the traditional line-staff relationship described in Navy Regulations, General Order 19, Civilian Manpower Management Instructions, and many other derivative documents and places upon that definition no new or unusual interpretation.

2. The services to be furnished by CBC will normally be rendered by the Director, Civilian Personnel Office. When CBC is mentioned with respect to specific services, it is understood that the CPO is specifically referred to.

3. Whenever this agreement requires signatures, approvals, authentication or similar executive actions by CECOS, the term CECOS means the Commanding Officer, CECOS, the Executive Officer, CECOS, any person acting in these capacities, or any other person acting under authority delegated by the Commanding Officer, CECOS. No such delegation shall be effective as to any person having a primary duty station other than CECOS, unless made in writing.

4. The Commanding Officer, CECOS, is the appointing officer and has classification authority for CECOS, regardless of procedure or methods for the employment of that authority, and regardless of the place of preparation of personnel action documents respondent to it. Matters of form of procedure, no matter how important or necessary, cannot dilute nor diminish authority. In these matters, as in all civilian personnel matters, CLC may be called upon, from time to time, to advise the Commanding Officer, CECOS, in the manner customary to any line or staff relationship.

5. CBC will provide the necessary staff services for civilian personnel functions for CECOS as covered in the Civilian Manpower Management Instructions. It is expected that such staff services will encompass the entire Civilian Manpower Management Instructions. Since the final accountability for these functions remains with CECOS, CBC will:

(a) Prepare all reports and correspondence concerning civilian personnel matters which concern CECOS alone and will submit them to CECOS for signature. CBC will furnish to CECOS an information copy of all combined reports which pertain in part to CECOS.

(b) Maintain all manuals, directives or other material applicable to CECOS civilian personnel in a current status available for use by CECOS personnel. CBC will notify CECOS of the issue of any official instruction, notice, executive order or other document which bears with any particular significance upon CECOS civilian personnel. When such directives require reply by CECOS, such correspondence will be prepared by CBC and submitted to CECOS for signature.

(c) Maintain personnel records of CECOS civilian employees. Any additions to the personnel records of an individual employed by CECOS will be brought to the attention of CECOS. When authentication is required or appropriate it shall be made by CECOS. (This does not apply to any routine personnel action established by law, periodic step increases, etc., or to any personnel action formalized by the CPO after written authority has been issued by CECOS, i.e., SF 52 requesting a SF 50 be used.)

(d) When requested, assist CECOS in defining classifying and filling of wage grade positions. All classification documents will be signed by the Commanding Officer, CECOS, in his capacity as the classifying officer for CECOS.

6. CBC will prepare, for signature and release by CECOS, instructions and notices to promulgate properly to CECOS personnel information concerning the CECOS Civilian Personnel Program. Such directives shall be submitted in draft for review by CECOS. Where the subjects involved are not of a policy nature and where there is reason to expect that the content of such documents will not vary from a similar CBC document, the CBC Instruction or Notice may be made applicable to CECOS by means of an endorsing stamp placed on the document and signed by CECOS. If CBC determines this approach to be an appropriate means of eliminating duplication, a draft of the proposed CBC document will be forwarded for review by CECOS prior to its issuance to obtain CECOS management concurrence.

7. It is recognized that in the performance of civilian personnel functions the advice or technical opinion of various Naval or other governmental offices may be necessary to prudent management. CBC will request such advice, when needed, with the express prior approval of CECOS. This policy extends to any resident, detached representative of such Naval or governmental board, commission, office whether at the departmental, regional, district or local level. CECOS will sign all such correspondence prepared by CBC and will authorize, in advance, all other forms of correspondence whenever appropriate.

This policy applies also to responses to any queries addressed by other Naval or governmental offices (boards, commissions, etc.) to CBC which bear upon CECOS civilian personnel.

8. In order that CBC may be fully cognizant of all actions and correspondence relating to CECOS civilian personnel, CECOS will furnish to CBC a copy of all pertinent incoming correspondence and will staff all related outgoing correspondence through CBC.

9. CBC will suggest to CECOS (at any time) additions and modifications to this agreement which in its opinion will add to the full understanding and/or usefulness of its substance.

DETAILED INVENTORY OF NAVAL SHORE FACILITIES (PART 1) 30 SEP 1979

SCOL/POSTGRADUATE, MONTEREY (CLAIMANT..)

NEAREST CITY..WITHIN CITY . CLASS...NON-IND PERMANENT FUNCTION/PRODUCT..POST GRADUATE SCHOOL
COUNTIES..... STATUS..ACTIVE INITIALLY OCCUPIED..1948 OPERATOR..

LAND (ACREAGE)

620.40 OWNED	9.49 INGRANTED			629.89 TOTAL
170.66 IMPROVED	6.28 SEMI-IMPROVED	15.63 UNIMPROVED	437.34 OTHER	

UTILITIES/STRUCTURES CATEGORIZED

121	FUEL DISP/ACFT	400.00 GM	823	HEAT/GAS/SOURCE		2,674.00 CF
124	OPER FUEL STOR	202,550.00 GA	824	HEAT/GAS/TMSN		12,275.00 LF
132	COMMS/OTHER	2.00 EA	832	SEWAGE/COLLECT		
134	NAVTR AID/OTHER	2.00 EA	841	POTABLE WATER		1,325,000.00 GA
135	COMMS LINES	.38 MI	842	WATER/DISTRIBTN		
138	SHIP NAV&TR OTH	1.00 EA	843	NONPOTABLE WTR		200.00 LF
179	TRAINING/OTHER	7.00 EA	844	WTR SPLY/STR NP		4.90 KG
411	LIQ FUEL STOR	23.80 BL	845	WTR DIST SYS NP		3,395.00 LF
690	OTHER ADM FACIL	2.00 EA	851	ROADS	244,215.00 SY	13.50 MI
750	COMMUNITY FAC E		852	WALKS PARKING	128,779.20 SY	
811	ELECTRIC ENERGY	900.00 KW	871	GROUNDS DRAINAG		170,201.00 LF
812	ELEC/DISTR TMSN		872	GROUND/FENCING		33,192.00 LF
813	ELEC PWR SUB/SW	3,500.00 KV	880	FIRE & OTH ALRM		205.00 EA
821	HEAT/BTU/HR/BH	75.00 MB	890	MISC UTIL		1.00 EA
822	HEAT/STM/TMSN	20,380.00 LF				

REAL ESTATE

DISTRICT	ACTIVITY	UIC				MAJ CL	PAGE
11	7685435	N62271	SCOL/POSTGRADUATE	MONTEREY	(CONTINUED ON NEXT PAGE)	M5	852

BUILDINGS CATEGORIZED

131	COMMS BUILDINGS	3.815.00 SF		18G	610	ADMIN BLDGS	103.922.00 SF			10BG
137	SHIP NAV&TR BLD	60.006.00 SF		38G	711	FAM HSG/DWELLG	1.208.580.00 SF	891.00 FA		333BG
141	OPERATION BLDGS	6.482.00 SF			714	FAM HSG/DET FAC	43.834.00 SF	209.00 VE		21BG
142	OPRTNL HEL/PLTS	300.00 SF		18G	721	TRPHOUS-ENL PER	20.920.00 SF	108.00 PN		20G
143	SHIP&OTH OP BLD	5.210.00 SF		38G	722	UNAC PR HOU-MES	5.192.00 SF	200.00 PN		18G
171	TRAINING/BLDGS	694.277.00 SF		208G	723	TRHSG-DET FAC	144.00 SF			18G
214	MNT/TANK AUTLV	9.104.00 SF		48G	724	TRHSG/OFF QTRS	118.451.00 SF	165.00 PN		18G
218	MNT/MISC/PROC	6.728.00 SF		18G	730	COMMUNITY FAC	12.304.00 SF			11BG
219	MNT/INS REP OPN	37.678.00 SF		96G	740	COMMUNITY FAC I	175.590.80 SF			24BG
229	PROD/MNT REP OP	1.704.00 SF	1.00 EA		813	ELEC PWR SUB/SW	1.721.00 SF			35G
310	R D TEST BLDGS	7.532.00 SF		28G	821	HEAT/BTU/HR/BH	5.765.00 SF			35G
441	COV STOR/DEPOT	8.995.00 SF	8.275.00 NS	68G	832	SEWAGE/COLLECT	204.00 SF			28G
540	DENTAL CLINICS	4.936.00 SF	6.00 OU		842	WATER/DISTRIBTN	432.00 SF			38G

BUILDING TOTALS	NUMBER	SQUARE FEET	EXCESS	UNUSABLE
PERMANENT	415	2.306.710		3
SEMIPERMANENT	38	168.956		
TEMPORARY	18	68.251		7
TOTAL	471	2.543.917		10

USERS (U) AND SPECIAL/REMOTE AREAS (A)

USERS (U)

COMMUNICATION STATION	N00886(U)	REASEARCH FACILITY	N66856(U)	REGIONAL DENTAL CENTER	N68409(U)

SPECIAL/REMOTE AREAS (A)

LAB-REL STATION	BA (A)				
LA MESA COLLEGE	CA (A)				
RESEARCH	DA (A)				
MONTEREY BAY	EA (A)				
POINT PINOS	FA (A)				
NAVY SCHOOL ANNEX	IA (A)	FLT NUM WEATHER CENTRAL	N63134(U)	REASEARCH FACILITY	N66856(U)

HOUSING TOTALS:	COST TO GOVERNMENT	15,161,505
	CURRENT PLANT VALUE	52,180,882

COST TO GOVERNMENT: LAND (CLASS 1)	1,354,625	IMPROVEMENTS (CLASS 2)	41,379,508
		CURRENT PLANT VALUE	139,470,720

CROSS REFERENCE INDEX

SA	FAC NO	CCN	SA	FAC NO	CCN	SA	FAC NO	CCN	SA	FAC NO	CCN	SA	FAC NO	CCN	SA	FAC NO	CCN
	194	441-30			740-25	244		842-09	290		124-50		500	171-20	CA	9	711-21
	200	141-60			740-33	246		750-10	292		714-30		516	740-01	CA	10	711-22
		740-88			740-60	250		750-30	293		750-10			740-86	CA	11	711-22
	203	740-86			740-86	251		750-34	300		740-01		518	813-10	CA	12	711-22
		740-88		221	171-10	252		750-10			740-10	BA	191	740-05	CA	13	711-22
	205	721-11			610-10	253		750-10	301		740-01	BA		740-80	CA	14	711-22
	206	218-70			724-12	256		750-33			740-05	BA	192	740-80	CA	15	711-22
		740-01			730-20	257		821-09			740-09	BA	195	730-75	CA	16	711-22
		740-09			740-03	258		730-10			740-86	BA	196	750-40	CA	17	711-22
		740-13		222	171-10	259		721-11	305		219-25	BA	199	740-80	CA	18	711-22
		740-34			724-11			721-12	306		219-25	BA	213	171-20	CA	19	711-22
	209	740-05			724-12	260		722-10	308		219-77	BA	214	171-20	CA	20	711-22
		740-78		223	171-20	262		750-20	317		730-25	BA	215	171-20	CA	21	711-22
		740-86		224	171-20	263		690-10	319		740-89	BA	216	171-20	CA	22	711-21
	210	740-89			219-30	264		171-20	324		821-25	BA	217	171-20	CA	23	714-10
	211	740-63		225	219-10	265		711-44	327		124-65	BA	230	171-20	CA	24	711-21
	219	730-25			219-77	266		714-10	328		219-10	BA	247	821-09	CA		711-22
	220	131-15		226	219-10	267		711-43			219-77	BA	248	179-45	CA	25	711-21
		131-40		227	171-20	268		714-10	329		832-30	BA	249	171-20	CA		711-22
		141-60		228	740-40	269		711-43	330		171-10	BA	291	730-75	CA	26	711-21
		143-77		229	441-10	270		714-10			171-17	BA	321	750-10	CA	27	711-21
		171-10		231	134-70	271		711-43	331		142-10	BA	322	750-57	CA	28	711-21
		219-10		232	171-10	272		714-10	333		690-30	BA	323	441-35	CA	29	711-21
		219-77			171-20	273		711-43	334		124-65	BA	338	842-15	CA	30	711-21
		229-50		233	171-10	274		714-10	335		441-35	BA	340	823-20	CA	31	711-21
		540-10			171-20	275		711-43	339		171-20	BA	341	740-77	CA		711-22
		610-10		234	171-10	276		714-10	348		740-30	BA	342	740-77	CA	32	711-21
		610-10			171-20	277		711-43	349		740-86	BA	412	171-17	CA	33	711-21
		610-10		235	171-40	278		714-10	350		750-10	BA	413	750-20	CA		711-22
		724-11		236	821-09	279		711-43	351		740-30	BA	417	844-20	CA	34	219-77
		724-12		237	171-25	280		714-10	362		730-80	CA	1	711-21	CA		714-10
		724-30			740-04	281		711-43	403		214-20	CA	2	711-21	CA	35	711-21
		730-20		238	740-74	282		714-10	404		214-20	CA	3	711-21	CA		711-22
		740-05		239	740-43	283		711-43	406		219-10	CA	4	711-21	CA	36	711-21
		740-09		240	813-10	284		714-10			219-20	CA	5	711-21	CA		711-22
		740-10		241	832-29	285		711-43	415		132-10	CA	6	711-21	CA	37	219-77
		740-18		242	832-29	286		714-10	420		844-20	CA	7	711-21	CA		714-10
		740-19		243	813-10	289		730-25	422		730-75	CA	8	711-21	CA	38	711-21

CATEGORY CODE	DESCRIPTION	FACILITY TYPE	ACQUISITION STATUS	CONSTRUCTION YEAR	CAPACITY / UTILIZATION		AUTHORIZED	ONBOARD / LEASED	HEATED	WET	TEMPERATURE CONTROLLED	HAZARDOUS	ENERGY SOURCE	FACILITY REPORTING DATA	
21910	PW SHOP	BLDG	P	N 18 1925			1000.00SF		X	416	222	103	5	202470 27N 220	+
		BLDG	S	N 11 1952	99180	381	4275.00SF			160	40	18	1	202463 23L 225	+
		BLDG	S	N 11 1952	99586	100	6400.00SF			160	40	18	1	202464 23K 226	
		BLDG	P	N 18 1962			1487.00SF		X	90	117	11	1	203485 21K 328	+
		BLDG	T	N 18 1925			648 00SF			108	24	11	1	201021 23S 406	+
		TOTAL			198766	481	13810.00SF								
21920	PAV/GRNDS EQ SH	BLDG	T	N 18 1925	5168	51	1685.00SF			108	24	11	1	201021 23S 406	+
21925	PW SHOP STOR	BLDG	T	N 18 1899	7095	147	1419 00SF		X	55	43	10	1	203365 35P 305	
		BLDG	T	N 18 1926	500	5	450 00SF			18	14	9	1	203366 35P 306	
		TOTAL			7595	152	1869.00SF								
21930	PNT SHP&REL FAC	BLDG	S	N 11 1952			1600.00SF			160	40	18	1	202462 24J 224	+
21977	PW MAINT STRGE	BLDG	P	N 18 1925			1995.00SF		X	416	222	103	5	202470 27N 220	+
		BLDG	S	N 11 1952			2400.00SF			160	40	19	1	202463 23L 225	+
		BLDG	S	N 18 1955	1500	5	612 00SF			29	28	1	1	203368 35N 308	
		BLDG	P	N 18 1962	6876	20	3053.00SF		X	90	117	11	1	203485 21K 328	+
		TOTAL			8376	25	8250.00SF								
219	MNT/INS REP OPN	TOTAL			219905	709	27214.00SF								
22950	PRINTING PLANT	BLDG	P	N 18 1925			1764.00SF	1.00EA	X	416	222	103	5	202470 27N 220	+
229	PROD/MNT REP OP	TOTAL						1.00EA							
41140	MOTOR GAS STOR	STRC	P	N 13 1977	436	1		23.808L						280017 22K	
411	LIQ FUEL STOR	TOTAL			436	1		23.808L							
44110	GEN WHSE/BULK	BLDG	S	N 11 1952	98527	378	6400.00SF	6000.00NS		160	40	18	1	202467 23J 229	
44130	HAZ FLAM STHSE	BLDG	T	N 18 1954	1500	5	36.00SF	33.00NS		6	6	7	1	203539 25K 194	
44135	GEN STRG SHED	BLDG	P	N 13 1965	300	1	396.00SF	396.00NS		66	6	8	1	203542 J21 335	

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SECNAVINST 11011.21. Subj: Granting Easements on Navy Real Property

SECNAVINST 11011.22. Subj: Real Property: Reassignment, Transfer and Disposal

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SECNAVINST 11011.41. Subj: Acquisition of Real Property for Reserve Forces Facilities

OPNAVINST 6240.2. Subj; National Environmental Policy Act and Environmental Impact Statements

OPNAVINST 11010.1. Subj: Shore Installation and Facilities Planning and Programming

OPNAVINST 11011.9. Subj: Inventory of Military Real Property

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CHAPTER IV

PLANNING AND PROGRAMMING

A. PLANNING---------- 250

1. Planning and Control Systems---------- 250

2. The Need---------- 252

3. Navy Planning---------- 252

B. SHORE FACILITIES PLANNING SYSTEM---------- 254

1. Background---------- 254

a. History---------- 254

b. Purposes---------- 254

c. Concept---------- 255

2. Responsibilities---------- 255

a. Chief of Naval Operations---------- 255

b. Naval Facilities Engineering Command-------- 257

c. Major Claimants---------- 257

d. Activity---------- 257

3. System Elements---------- 258

a. Facility Requirement Plan---------- 259

b. OPNAV Form 11000/4---------- 259

c. MILCON Requirements List, 1360 Report------- 259

4. Facility Requirement Plan---------- 259

a. Background---------- 259

b. Components---------- 260

c. Supporting Documents---------- 263

d. Processing---------- 267

5. Project for Correction of Facility Deficiencies---271

a. Purpose---271

b. Preparation---272

c. Review and Validation---275

6. MILCON Requirements List, Report 1360---276

a. Purpose---276

b. Procedures---277

c. Review and Validation---279

C. MASTER PLANS---279

1. Background---279

2. Types of Plans---280

a. Naval Installation Master Plan---280

b. Naval Complex Master Plan---281

c. Naval Regional System Plan---281

3. Relation to Shore Facilities Planning System---281

4. Responsibilities---282

a. Naval Facilities Engineering Command---282

b. Activity---282

5. The Process---282

a. General---282

b. Data Collection---284

c. Planning Analysis and Formulation---284

d. Preliminary Plan---284

e. Environmental Assessment---285

f. Final Plan---285

g. Review---285

6. Master Plan Content----------287

a. Narrative----------287

b. Maps and Graphics----------287

c. General Development Map----------287

d. Capital Improvement Plan----------288

e. Energy Conservation Plan----------288

D. MILITARY CONSTRUCTION----------288

1. Background----------288

2. MILCON Programming----------289

a. Definitions----------289

b. Congressional Role----------289

c. MCON Program Components----------290

d. The MCON Process----------291

3. Budgeting----------294

4. Execution----------294

5. Documentation----------296

a. Background----------296

b. Facility Study----------297

c. Installation Data Sheet--DD Form 1390-----298

d. Item Justification Data Sheet--
DD Form 1391----------298

e. Item Justification Data Sheet
(Continuation) DD Form 1391c----------301

f. Guard and Reserve Forces
Supplement--DD Form 1390s----------303

6. Preparation----------303

7. Project Engineering Documentation----------307

a. Purpose----------307

b. Format----------308

8. Special Considerations---------- 308

a. Non-Appropriated Fund Projects---------- 308

b. Health and Medical Facilities---------- 308

c. Supply Facilities---------- 309

d. Combined Reserve Centers---------- 309

e. Marine Corps Activities---------- 309

f. Unaccompanied Personnel Housing---------- 310

9. Collateral Equipment---------- 310

a. Personnel Support Facilities---------- 310

b. Other MCON/MCNR Facilities---------- 310

E. FACILITY PROJECTS---------- 311

1. Military Construction---------- 311

a. Annual MILCON Program---------- 311

b. Emergency Construction---------- 311

c. Major Restoration or Replacement of Damaged Facilities---------- 312

d. Minor Construction---------- 313

e. Military Construction Contingency Authorization---------- 314

f. Project Documentation---------- 319

2. Special Projects---------- 321

a. Background---------- 321

b. Funding Authority---------- 321

c. Classification of Projects---------- 324

d. Policy---------- 326

3. Special Project Submittal---------- 330

a. Background---------- 330

b. Policy---------- 330

c. Step One Submission---------- 330
d. Step Two Submission---------- 331
e. Special Project Summary List---------- 336
4. Project Accomplishment---------- 336
a. General Policy---------- 336
b. Self Help Program---------- 338
BIBLIOGRAPHY FOR CHAPTER IV---------- 340
SUGGESTED REFERENCES---------- 341

IV. PLANNING AND PROGRAMMING

A. PLANNING

1. Planning and Control Systems

A basic component of organizations is the system established for planning and control of managerial decision-making and action. Dr. Robert N. Anthony, Harvard Business School professor and former Assistant Secretary of Defense (Comptroller), has established a scheme for considering such systems in general; this scheme is helpful in considering the Navy facilities management program. The three processes of the scheme are defined as strategic planning, management control and technical control.

Anthony [1965] defines strategic planning as the process of deciding on the objectives of the organization, the resources to be used in attaining the objectives, and the policies that are to govern the acquisition and use of the resources. For the Navy, the strategic planning is accomplished at the highest levels within the DOD organization and at the Presidential level. Strategic planning deals with strategic (in the military sense) decisions, determination of force levels, weapons system types and quantities, and types of shore facilities needed to carry out the strategic defense objectives. While strategic planning is based on data provided by NAVFAC and the operational chain of command, the activity Public Works Officer is not involved in

strategic planning. For this reason the strategic planning process will not be explored in this manual.

Management control is the process of assuring that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objectives. The management control process is intended to make possible the achievement of planned objectives as effectively and as efficiently as possible. A key tenet of management control is that the goals of immediate decision-making processes be congruent with those of the strategic plans. In the Navy, the Shore Facilities Planning System is a major management control system, designed to provide the facilities necessary to support planned operating requirements in the most effective and efficient manner possible. The management control functions of the Shore Facilities Planning System, Master Planning process and facilities projects management all rely on input information provided by the activity. These topics will be considered in this chapter.

Technical control is the process of assuring the efficient acquisition and use of resources, with respect to activities for which the optimum relationship between outputs and resources can be determined (approximately). Technical control applies to those functions for which the technique of control is important, as opposed to managerial judgement. In the Navy facilities management system, technical control applies to the more or less mechanical functions of comparing performance against expectation, assets against standard

requirements, or actual cost against standard cost. Some of the elements of the Shore Facilities Planning System fall into the realm of technical control, but the majority are management control.

It is important to note that there are no lines drawn between the phases of the planning and control framework, but rather there is a continuum of change. The framework is presented as a guide to focus the aspects of the total Navy facility management program.

2. The Need [Myers, 1977]

The continued existence of any enterprise, public or private, depends on its initiative to prepare for future events. No endeavor is static. Existence requires growth and progress for survival. Problems associated with unplanned growth can be avoided by the timely and orderly development of policies and plans of action. The Navy, no different in this respect from private enterprise, must be able to forecast its requirements and plan for their orderly integration into existing systems. This should be accomplished with minimal disruption and hopefully maximum benefits. The process used by the Navy planners to accomplish this goal in the area of shore facilities development is the Shore Facilities Planning System (SFPS).

3. Navy Planning [NAVFACINST 11010.44D]

Planning is defined as a detailed scheme, program or method worked out in advance for the accomplishment of an objective or goal. In terms of the Naval shore establishment,

(Webber, 1979)

planning is the process of providing for the efficient use and orderly development of real estate and facility resources for Naval installations.

The facility resources of the Naval shore establishment are fundamental to the execution of assigned missions. These missions are dynamic and often necessitate changes in characteristics of ships, aircraft and other weapons systems. Mission changes can sometimes be anticipated and requisite actions planned over an extended period of time. In other cases, they result from unexpected developments external to the activity or the Navy. In either case, the acquisition of facilities ashore involves significant lead time for authorization and funding by Congress, and for design and construction. Accordingly, Navy planning, programming and budgeting must ensure that new or replacement facilities required to support Navy missions are identified and included in programs on a timely basis.

B. SHORE FACILITIES PLANNING SYSTEM

1. Background

a. History [Myers, 1977]

In the late 1950s and early 1960s it was recognized that the system of planning for the shore establishment was in need of strengthening. Historically, the Navy had planned sea operations well, but the planning of shore facilities to support such operations did not always enjoy similar success. Facility planning in some cases was done only as a last resort and then only to justify new construction. The quality and depth of planning varied from command to command and project to project. Planning also was done with rather a parochial view, without considering the total development of the activity and the full utilization of assets.

The lack of adequate planning was of such concern that in 1960 new methods of planning were established. The publication of OPNAV Instruction 11010.1E in 1960 was the beginning of the Shore Facilities Planning System.

b. Purposes [Myers, 1977]

The purposes of the SFPS are to insure that the amount of effort and funds expended for shore facilities are in proper balance with the support requirements of operating forces. To determine where within the shore establishment the facility dollars can best be spent, especially with today's diminishing construction dollar, the SFPS represents a planning method that provides to the Navy a uniform and consistent approach to shore facilities planning.

The SFPS insures that every activity of the Navy is involved in the planning process and in facilities management. Properly done, this process should provide the CNO, Major Claimants, systems commands and the activity COs with a thorough knowledge of their projected needs. This system should enable all levels of command to make decisions related to providing shore support to the operating forces in a timely and cost effective manner.

c. Concept

SFPS is based on the concept of identifying facilities needed to accomplish a mission, comparing requirements with assets, and then disposing of excesses and programming for deficiencies.

The process is shown in Figure IV-1, and summarized as follows:

(1) Define the future mission, 5-8 years ahead if possible.

(2) Express the resources needed to carry out the mission in physical terms--number of people, ships, aircraft.

(3) Determine facilities required to support the people and equipment that perform the mission.

(4) Compare facility requirements with existing assets, and propose solutions to resolve the differences.

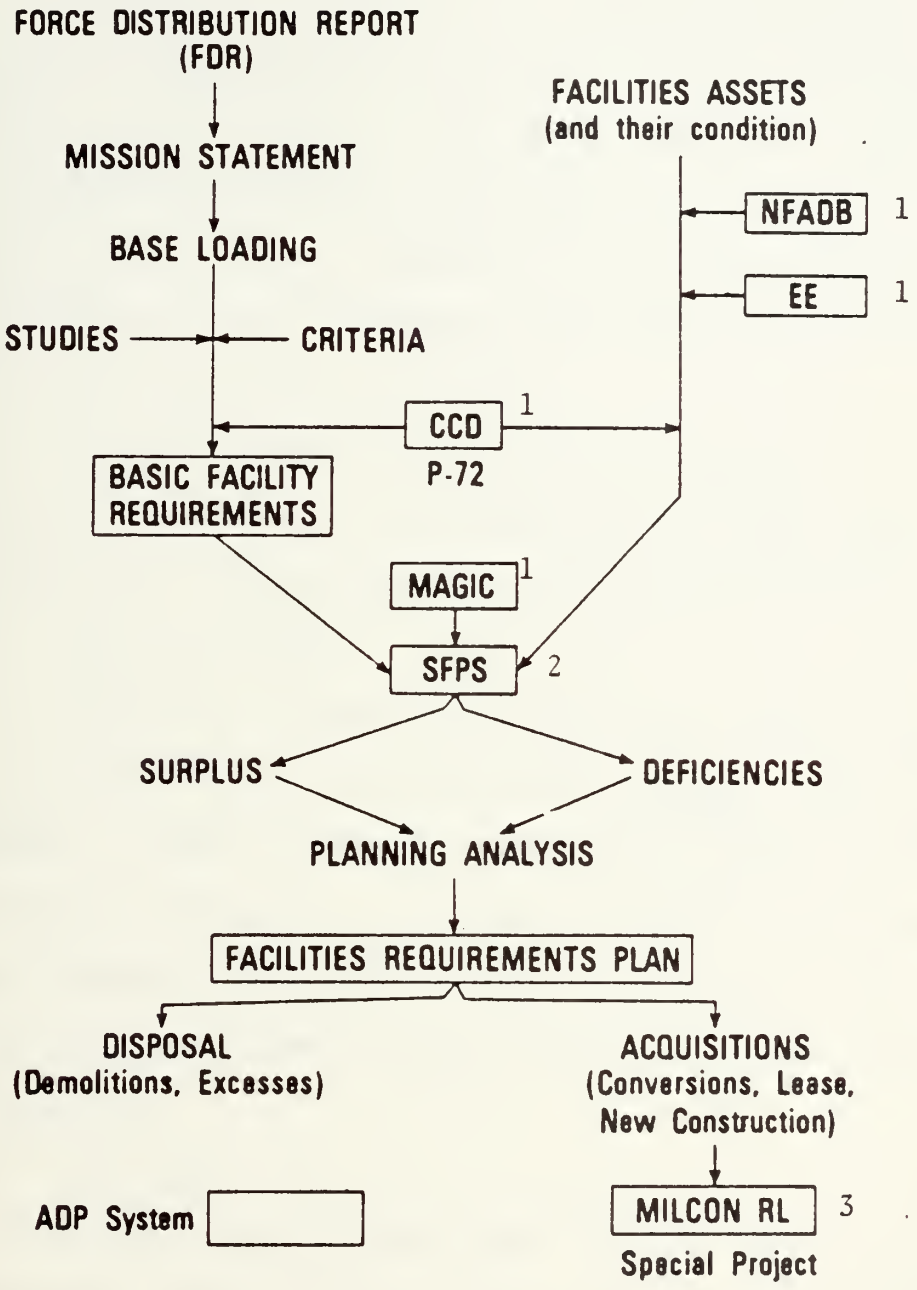
(5) Program and budget.

(6) Develop alternate uses for surplus assets; dispose of excess assets.

2. Responsibilities

a. Chief of Naval Operations

The Shore Facilities Programming Division [OP-44] is responsible for programming for facilities construction, and maintenance and repair of real property.



Notes:

1 Refer to Section B.4.

2 Refer to Section A.2.

3 Refer to Section B.3.

SHORE FACILITIES PLANNING SYSTEM COMPONENTS AND RELATIONSHIPS

Figure IV-1

b. Naval Facilities Engineering Command

NAVFAC is responsible for administering the planning system and furnishing technical advice; reviewing SFPS submissions for technical adequacy, compliance with instructions and criteria, and accuracy of cost estimates; and forwarding technical review comments to the appropriate level of the operational chain of command where decisions are made for funding and programming priorities.

NAVFAC and the EFDs are also responsible for publishing planning guidelines and instructions to implement the SFPS, and providing engineering assistance when required.

c. Major Claimants

The Major Claimant is responsible for defining the activity mission and projected base loadings. Subsequent to development of SFPS documents, the Major Claimant reviews and validates the documents. The Major Claimant coordinates subordinate commands' military construction programs, and funds repair and improvement Special Projects within assigned approval authority.

d. Activity

As discussed in OPNAVINST 11010.1, the activity CO is responsible for initiating planning actions and documents, and for obtaining assistance where needed. Projects for correction of facility deficiencies are normally initiated at activity level.

There is a significant point of discussion within the Civil Engineer Corps [Rushing, 1979] concerning whether

(Walker, 1975)

the facilities planning function is assigned to the Public Works Department or to another separate department. The major argument in favor of assigning the function to a Planning Department is that the PWD personnel are not familiar with operating requirements and mission needs. On the other hand, the argument for assigning the function to the PWD is one of coordination; facility plans and projects developed within the PWD would be more likely to include consideration of utility requirements and siting details. There have been instances, for example, of projects being submitted by a Planning Department which produced an electrical demand far in excess of existing capacity, but which did not address that problem. The discussion of the SFPS will assume that the function is assigned to the PWD.

3. System Elements

The SFPS documentation consists of three distinct elements--the Facility Requirement Plan, OPNAV Form 11000/4, and the MILCON Requirements List--which are based on the concepts discussed previously.

a. The Facility Requirement Plan provides the means to compare facility requirements and assets in order to determine the activity's facility needs. The Facility Requirements Plan includes three parts: an Activity General Information Summary, which illustrates general identification data for the activity and all tenants; a Facility Requirements Plan Summary, which displays a summary of all FPD information; and a Facility Planning Document (FPD), which summarizes planning information for facilities by category code.

b. The OPNAV Form 11000/4, Project for Correction of Facility Deficiencies, is used for submission of construction projects to satisfy deficiencies in excess of $100,000.

c. The MILCON Requirements List, 1360 Report, summarizes the valid military construction projects for the activity.

Detailed information on the SFPS and preparation of system documents is provided in NAVFACINST 11010.44.

4. Facility Requirement Plan

a. Background

The Facility Requirement Plan is a collection of computer-generated documents which display facility planning data and document the planning rationale. The Plan, which has replaced the former Military Requirements Data Book, states facility requirements, lists assets, and notes asset condition and utilization. Simply, the Plan states what facilities are needed to accomplish the mission of the activity, and compares existing assets with those needed. The Plan itself is made up of three components: Activity General

Information, Facilities Requirements Plan Summary and Facility Planning Document.

b. Components

(1) Activity General Information. The Activity General Information sheet provides several items of information regarding the Navy activity's chain of command, geographical EFD, Naval District, etc. In addition, it lists all supported units and tenants at the activity, and all special areas assigned to the activity. A sample Activity General Information sheet is illustrated by Figure IV-2.

(2) Facilities Requirements Plan Summary. The Facilities Requirements Plan Summary provides a concise overview, by category code, of basic facility requirements, existing deficiencies and surpluses, and deficiencies and surpluses that would remain after implementation of the actions associated with the Facility Planning Document. Figure IV-3 is an example.

(3) Facility Planning Document. The Facility Planning Document (FPD) is the primary working document for the SFPS. A separate FPD is prepared for each category code, and displays current information regarding facility requirements and assets. It also provides a means of comparing requirements and assets data, and proposing specific solutions to resultant deficiencies and excesses. The FPD provides all of the appropriate planning information for a given category code in one place, and presents a detailed breakdown of the individual facilities which contribute to the total assets

ACTIVITY GENERAL INFORMATION

12 MAR 79

ACTIVITY UIC	N02542	AIR STATION WHITEHALL
M/T CODE	0	HOST
HOST UIC	N02542	AIR STATION WHITEHALL
PARENT UIC		
MAJOR CLAIMANT	F	CINCPACFLT
SUB-MAJOR CLAIMENT	FO	AIRPAC
EFD	N62474	WESTDIV
AREA COORDINATOR	11	COMELEVEN
AREA COMPLEX	ZZ	WHITEHALL

SPECIAL AREAS

BA ARDMORE
CA HIGGINS
OA BIDDLE

ALTERNATE HOST LOCATIONS

UIC	SUB-CLMNT	NAME
M12345	R CMC	CAMP MITCHELL
N23456	KU NAVAIR	PT. OAKBED TEST CEN

SUPPORTED UNITS

UIC	SUB-CLMNT	NAME
N45678	M TELCOM	BASE COMMUNICATION TELCOM
N56789	FO AIRPAC	FLT AIR PHOTO LAB

TENANTS

UIC	SUB-CLMNT	NAME
N98765	9 CNAVRES	AIR RESERVE DET
N87654	I BUMED	EPMU

UIC..N02542 GENERAL INFORMATION PAGE

Activity General Information Sheet

Figure IV-2

FACILITIES REQUIREMENTS PLAN SUMMARY

ACTIVITY UIC....N02542 NAME...NAS WHITEHALL 12 MAR 79

CAT CODE	DESCRIPTION	UM	BASIC FAC REQUIREMENT	***EXISTING*** QUANTITY DEFICIENT	***EXISTING*** QUANTITY SURPLUS	***PROPOSED*** QUANTITY DEFICIENT	***PROPOSED*** QUANTITY SURPLUS
11110	RUNWAY	SY	596000	104867	0	0	0
11210	TAXIWAY	SY	287000	0	37442	0	37442
11320	ACFT PRKG APRN	SY	535085	0	51115	0	10500
11340	ACFT ACC APRN	SY	86700	0	0	0	0
11610	ACFT W/RCK PV	SY	4447	4447	0	0	0
12110	ACFT DIR FU STAGA		2400	2400	0	0	0
12430	ACFT W/HUEL ST GA		129000	0	1013400	0	50000
13710	METEOROLGCL BLDSF		2250	2250	0	0	0
14111	AIR PSG TERM	SF	6750	6750	0	0	0
14377	OPERTNL STRG	SF	51500	0	6192	0	0
17110	ACD/GEN INS BLDSF		7400	7400	0	0	0
21105	MAINT HNGR-OH SSF		18400	0	142142	0	50000
21106	MAINT HNGR-01 SSF		61200	57543	4168	0	0
21107	MAINT HNGR-02 SSF		63300	63300	20111	0	0
21134	PCHTE/SURV EQP	SF	7150	925	0	0	0
21135	ENG MAINT SHOP	SF	12000	0	15444	0	0
21136	AIRFRAMES SHOP	SF	5500	5500	22270	0	0
21137	AVIONICS SHOP	SF	25400	25400	2471	0	0
21138	AVIATION ARM SHSF		8000	6216	0	0	0
21166	PWR CHK NU SND EA		2	1	0	0	0
21177	ACFT SPARES STGSF		4000	0	1844	0	0

UIC..02452 SUMMARY PAGE 1

Facilities Requirements Plan Summary

Figure IV-3

for a single category code. Data for the FPD is derived from the Basic Facility Requirements, Navy Facility Assets Data Base, and Category Code Directory Files. The different types of information displayed by the FPD are summarized in Figures IV-4 and IV-5 [CECOS, 1979].

It is essential that information from the Annual Inspection Summary, Special Projects Summary, Utility Improvements Program, Fire Protection Survey, Energy Conservation Plan, and Master Plan be a part of the planning analysis in order that the availability of supporting facilities and other information not directly obtainable from the FPD can be determined.

c. Supporting Documents

The Facility Planning Document is prepared based on data contained in the Basic Facility Requirements, Navy Facility Assets Data Base, Master Activity General Information Control System, and Category Code Directory Files.

(1) Basic Facility Requirements. The Basic Facility Requirements are the listing of facilities required to perform the activity mission. The requirement for each category code is derived by applying base loading or quantitative workload data to the planning factors included in NAVFAC P-80, Facility Planning Factor Criteria for Navy and Marine Corps Shore Installations. Entries on the BFR are to be made only for that quantity that is actually needed, regardless of criteria. Requirements within each category code must be supported by justification data showing the complete rationale used to determine the requirement.

FACILITY PLANNING DOCUMENT

79MAR26

ACTIVITY UIC... N02542 NAME... NAS WHITEHALL
SPECIAL AREA... BA NAME... ARDMOORE

CATEGORY CODE.. 17120 DESCRIPTION.. APPLIED INSTRUCTION BLDG
RQMTS DATE.. 19 MAR 79 LATEST CHANGE DATE.. 19 MAR 79 EFD CERT DATE..

BASIC FAC	RQMT	UM	FACILITY ASSETS ADEQUATE	SUBSTNRD	DATA INADEQTE	OTHER	QUANTITY DEFICIENT	QUANTITY SURPLUS
38677	SF		20677	9800	23401		18000	15201
320	MN		140	40	160		180	20

FACILITY DETAIL FAC NO	U	EE	C	ADEQUATE	SUBSTNRD	INADEQTE	DEF CODES	SATISFACTION OF DEF/SURP ACTION	ID	D	SCOPE
212	N	77	P		7500		A24	RENOV	P-123	+	7500
213	N	77	P	3000			C45	USE		+	3000
215	N	76	S			2600	A30B26A01	CONVTO	21910	-	2600
216	Y	77	T			2100	A30B26A01	EXACT	VAC	-	2100
221	N	77	T			1729	A30B26A01	EXDISP	VAC	-	1729
223	Y	77	S			8024	A30B26A01	OUTG-C		-	8024
231	N	78	P	11000			C40	MODIFY	P-124	+	11000
242	N	78	P			7024	A30B26A01	DISPOS	VAC	-	7024
247	N	78	S			1924	E05A30B26	DEMOL	VAC	-	1924
323	N	78	S		2300		A24	RENOV	P-123	+	2300
342	Y	78	P	6677				OUTG-R		+	6677
ACQ								CONSTR	P-134	+	8200
							TOTAL PROPOSED ADEQUATE ASSETS =				38677

NOTES FOR CATEGORY CODE.. 17120
STD NOTES: PENDING NAVFAC HQ APPROVAL

GEN NOTES: REQUIREMENT REPRESENTS CONSOLIDATION OF 17120 AT SPECIAL AREAS DA AND BA, SPECIAL AREA DA IS TO BE EXCESSED

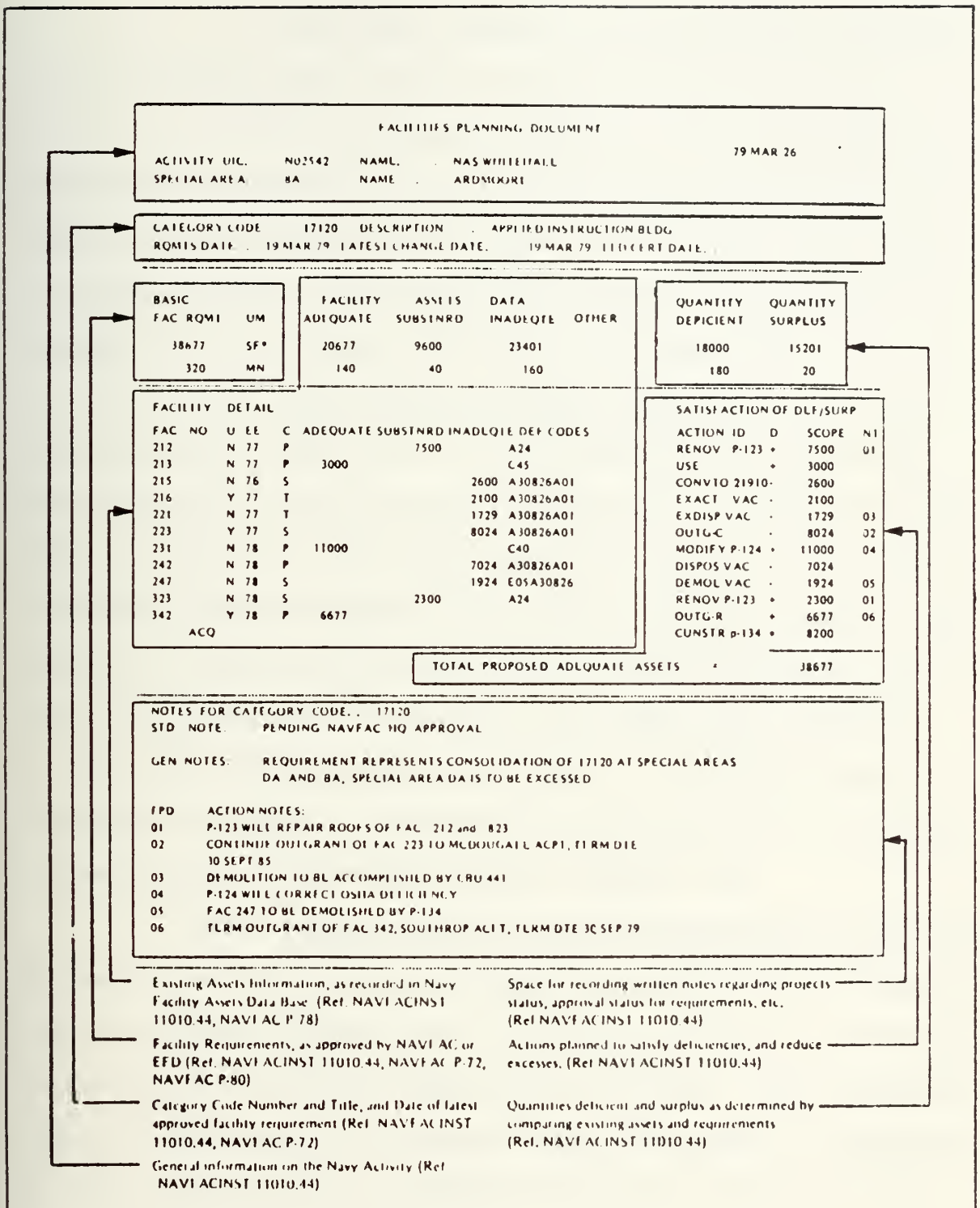
FPD ACTION NOTES:
01 P-123 WILL REPAIR ROOFS OF FAC #212 AND #323
02 CONTINUE OUTGRANT OF FAC #223 TO MCDOUGALL ACFT, TERM DTE 30 SEPT 85
03 DEMOLITION TO BE ACCOMPLISHED BY CHU 441
04 P-124 WILL CORRECT OSHA DEFICIENCY
05 FAC #247 TO BE DEMOLISHED BY P-134
06 TERM OUTGRANT OF FAC #342, SOUTHROP ACFT, TERM DTE 30 SEP 79

END DATA FOR CATEGORY CODE 17120

UIC.. N02542 BA FPD CCN.. 17120 PAGE..

Facility Planning Document

Figure IV-4



SAMPLE FACILITIES PLANNING DOCUMENT

Figure IV-5

The base loading and quantitative workload data is derived from the Navy Force Distribution Report (FDR), a classified forecast of ships, aircraft and personnel programmed for each activity. Base loading sheets identifying the number of personnel, ships and aircraft, the volume of supply storage, and the quantity of vehicles and support equipment must accompany the BFR as justification.

(2) Navy Facility Assets Data Base. The Navy Facility Assets Data Base is an automated file of data on each existing facility owned or leased by the Navy and Marine Corps. Included in the NFADB are Class 1 (land) and Class 2 (buildings and structures) facilities. Data is provided on location, type of acquisition, type of construction, cost, size, utilization and condition. The SFPS uses the NFADB as the source of existing assets data. The NFADB file is maintained at FASCO. Maintenance and operation of the NFADB are described in the NFADB manual, NAVFAC P-78.

(3) Master Activity General Information and Control The Master Activity General Information and Control (MAGIC) data base is an automated file containing general information on each Navy and Marine Corps shore activity. The reconciliation of requirements and assets within the SFPS is dependent on the activity data in the MAGIC data base, which is maintained by FASCO in Port Hueneme, California.

(4) Category Code Directory. The Category Code Directory (CCD) is an automated file containing the Navy facility category codes, category code names and units

of measure. The file also contains the Investment Category and Maintenance Cost Account Numbers for each category code.

(5) Engineering Evaluation of Existing Assets. The Engineering Evaluation (EE) of existing assets is an on-site inspection by the Engineering Field Division of buildings and structures at an installation. The EE determines such information as the current use, using activity, adequacy for current use, potential for conversion or renovation, accuracy of information, etc. Other data gathered during the inspection includes a determination of the extent to which existing facilities satisfy the requirements listed in the BFR, and identification of facilities excess to requirements that may be converted to other use, reassigned or disposed. The data obtained during the EE is input to the NFADB.

d. Processing [CECOS, 1979]

The information in the Facility Requirements Plan must be revised whenever: the information in the Activity General Information Summary changes; a change in mission or base loading dictates a change in facility requirements; the facility assets are changed as a result of review of the facility assets records; a project is completed that affects the quantity or alters the adequacy of a facility; and proposals for satisfying deficiencies are altered.

Changes to facility requirements must be initiated by the activity, and submitted for technical review and approval. New or revised facility requirements must be based upon current mission needs, and calculated in accordance with

standard criteria. Revisions to existing facility requirements are forwarded by the command with a marked-up FPD reflecting the change. New facility requirements may be submitted in the format of a Navy letter.

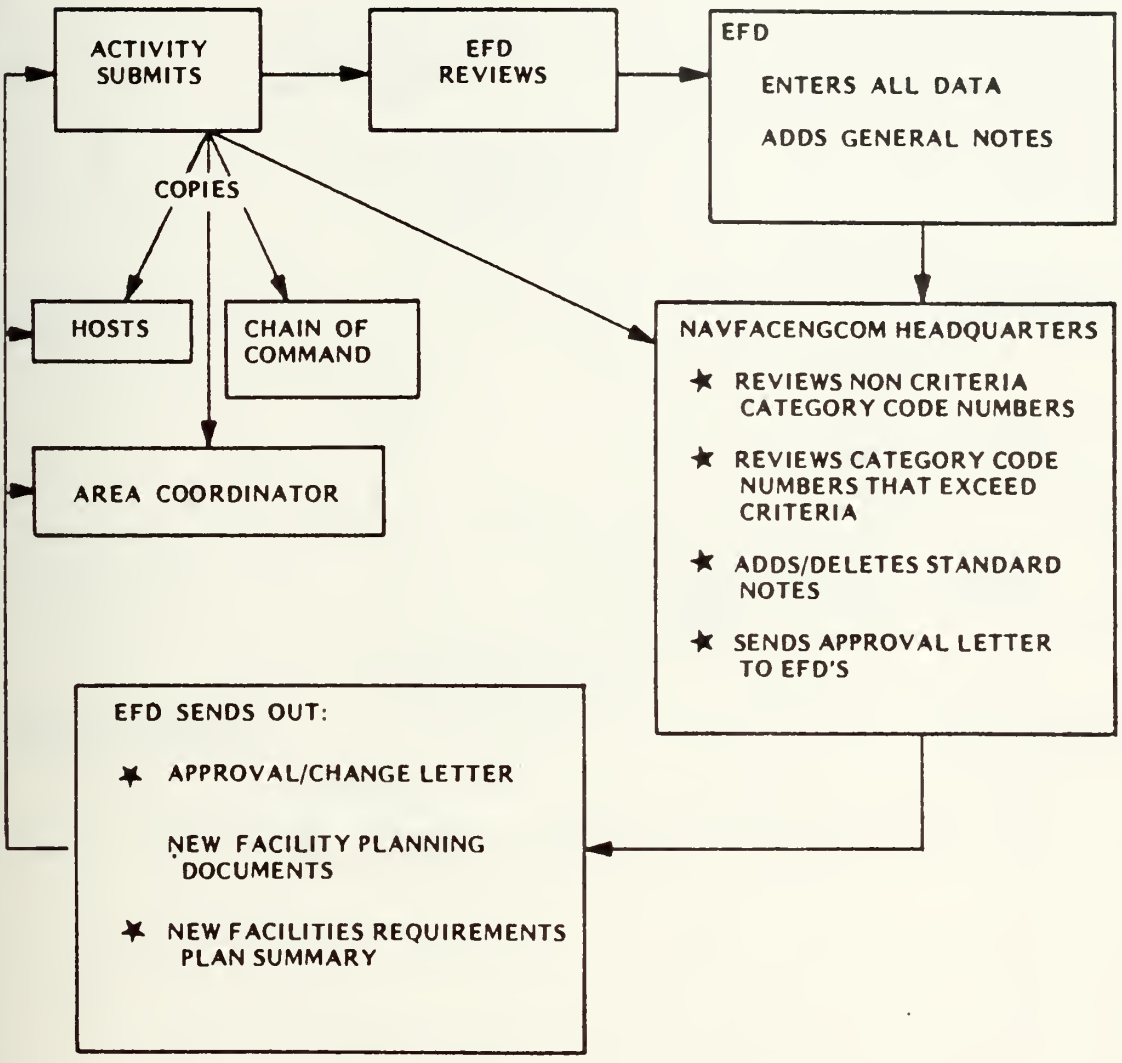
Revisions to facility assets information may result from changes in facility use or user, or as the result of a records review during an Engineering Evaluation by the EFD. In all cases, the EFD must approve changes to the assets information in the Facility Requirements Plan.

The planning actions proposed to eliminate deficiencies and surpluses must also be approved by the EFD, although the activity may initiate proposals for such changes. Changes to the planning analysis and proposed planning actions are generally noted during the Engineering Evaluation.

The activity may make changes to the Activity General Information sheets by making changes to the activity portion of the MAGIC. Changes are made by marking up the Activity Record Printouts (ARP), and forwarding them to the EFD.

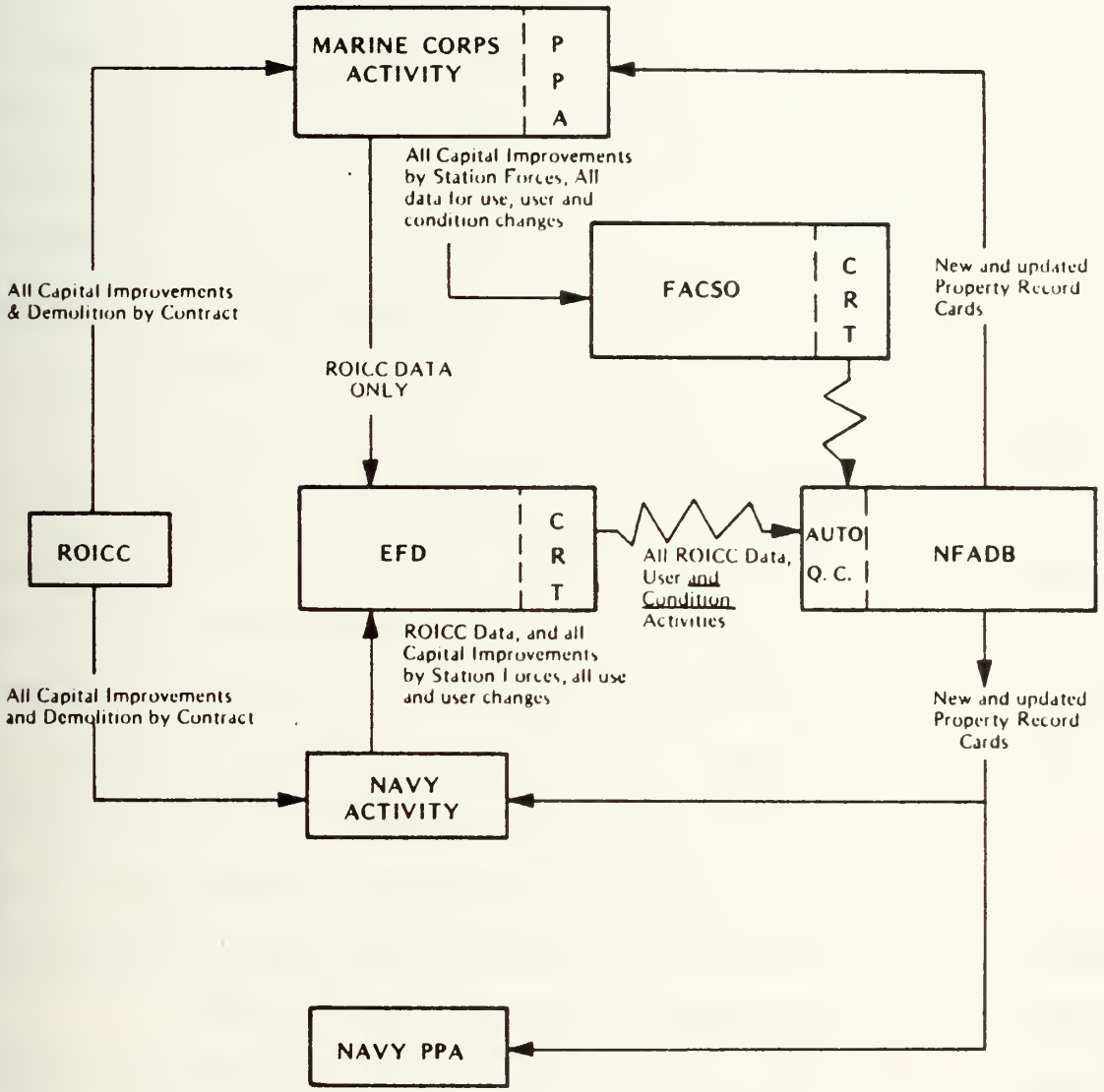
All revisions to the Facility Requirements Plan are initially entered into the computer data base at the EFD via the computer terminal. Once data is approved and entered into the system, any subsequent calls for information under that category code will display the updated data last entered.

Submittal procedures applicable to the Basic Facility Requirements are shown in Figure IV-6, and for the Navy Facility Assets Data Base in Figure IV-7.



SUBMITTAL ROUTE
BASIC FACILITY REQUIREMENTS (CHANGES, ADDITIONS AND DELETIONS)

Figure IV-6



SUBMITTAL ROUTE
DATA CHANGES TO NAVY FACILITIES ASSETS DATA BASE

Figure IV-7

5. Project for Correction of Facility Deficiencies OPNAV Form 11000/4

a. Purpose

The Facilities Requirements Plan for an activity documents facility deficiencies and identifies solutions to these deficiencies, including proposed construction projects. Such projects costing in excess of $100,000 are submitted on the OPNAV Form 11000/4 for potential entry into the Military Construction Requirements List (MILCON RL). The 11000/4 is the only document that is accepted for that purpose.

Submission of a DD Form 1391 and Facility Study are not required for a proposed MILCON project until it reaches an advanced stage of programming. Until that time, the 11000/4 provides project data for use by the Major Claimant and others. All facility deficiencies which result in projects in excess of $100,000 are shown on the DD Form 11000/4. Facility deficiencies which result in projects less than $100,000 are funded with O&M,N dollars under the procedures of OPNAVINST 11010.20 and Section E of this chapter.

The DD Form 11000/4 is submitted only to reflect additional project requirements as a one-time event. Changes to data on previously submitted projects are made by use of the MILCON RL, Report 1360. All projects must be supported by the SFPS. The continuous updating of information results in the maintenance of a dynamic data file and enables the Major Claimant and CNO to adjust construction priorities in response to changing requirements.

When compiled into the MILCON RL, the projects form the MILCON backlog. A large backlog does not increase an activity's chances for getting a project funded. CNO undertakes an annual analysis of deficiencies by investment category in the MILCON RL, assessing the impacts of the projects in each investment category on military readiness and mission performance. This analysis of deficiencies by investment category is fundamental to allocation of a proper share of the total MILCON resources for correction of facility deficiencies, and allocating approved resources among investment categories in a manner which provides the most improvement Navy-wide in military readiness and mission performance.

b. Preparation

(1) Format. Although the preparation of the OPNAV Form 11000/4 is a joint responsibility of the activity and the EFD, it is the activity PWD which takes the lead in such action. The instructions contained in NAVFACINST 11010.44 for preparation are comprehensive. A sample form 11000/4 is shown as Figure IV-8.

(2) Cost Estimate. Based upon the scope of the proposed project, the cost to accomplish the project must be estimated, and the year to which that estimate applies must be determined. Activities should develop cost estimates for reporting on OPNAV Form 11000/4 on the basis of the latest Military Construction Cost Engineering Data published annually [NAVFAC P-448]. Other local experience or cost

OPNAV 11000/4 (REV 4-79)

REPORT OPNAV 11000-1

CLASSIFICATION	PROJECT FOR CORRECTION OF FACILITY DEFICIENCY	PROJECT NO. P-

SUBMITTING ACTIVITY NAME AND LOCATION	ACTIVITY UIC	MAJOR CLAIMANT
HOST ACTIVITY	HOST UIC	AREA COORD
COMPONENT NAME	COMPONENT UIC	

FST YEAR	USEABLE COMPL. MOS	USEABLE COMPL. CODE	INVESTMENT PROGRAM	ECONOMIC ANALYSIS	P E A	S I T E	RELATED PROJECTS	%W	%W/O	MAJOR CLAIMANT PRIORITY
1	2	3	4	5	6	7	8	9	10	11

	CATEGORY CODE	PROJECT TITLE	AMSU UIC	SA	SCOPE QUANTITY	UM	ESTIMATED COST (000)	CONST/ MISSION CODE	VAL CODE
	12	13	14	15	16	17	18	19	20
d									
e									
l									
m									
n									
o									
p									

21 PROJECT DESCRIPTION/JUSTIFICATION

ACTIVITY CERTIFICATION I certify that this project is required to support Activity Mission functions.

Activity Commanding Officer — Date

MAJOR CLAIMANT CERTIFICATION I certify that this project is required to support Activity Mission functions.

Major Claimant Representative — Date

EFD CERTIFICATION This project is supported by EFD.

EFD Commander Commanding Officer — Date

DO NOT WRITE IN THIS SPACE - FOR NAVFAC USE ONLY
This project is authorized for entry into the MILCON P-1.

NAVFAC Authorizing Signature — Date

CLASSIFICATION

OPNAV form 11000/4

Figure IV-8

reference may be used to reflect current prices. In addition to the cost entry, the fiscal year for which the locally developed cost estimates are considered valid is entered on the form.

(3) Supporting Documents. All OPNAV Form 11000/4 submissions must include FPD sheets for each category code included in the project.

The submission must include a site plan depicting location of the proposed site. The site plan may be a portion of the Existing Conditions Map, Master Plan/CIP or a sketch.

Those projects which are justified primarily on the basis of expected cost savings over an existing mode of operation must be supported by a Primary Economic Analysis, also referred to as a Type I Analysis. A savings-to-investment ratio greater than 1.0 is required to justify a project solely on the basis of economics. Projects in which economic considerations are secondary to operational requirements should be supported by a Secondary Economic Analysis, also referred to as a Type II Analysis. Economic analyses must be performed in accordance with the procedures of NAVFAC P-442, Economic Analysis Handbook, NAVFACINST 11010.32 and SECNAVINST 7000.14.

In accordance with OPNAVINST 6240.3, a Preliminary Environmental Assessment (PEA) is mandatory for all projects.

A cost estimate must be prepared on NAVFAC Form 11013.7, Cost Estimate Form, converted to budget level, and submitted with each 11000/4.

A statement must be included in block 21 of the OPNAV Form 11000/4 to indicate that the proposed MILCON project does or does not impact on a building or structure of possible historical significance.

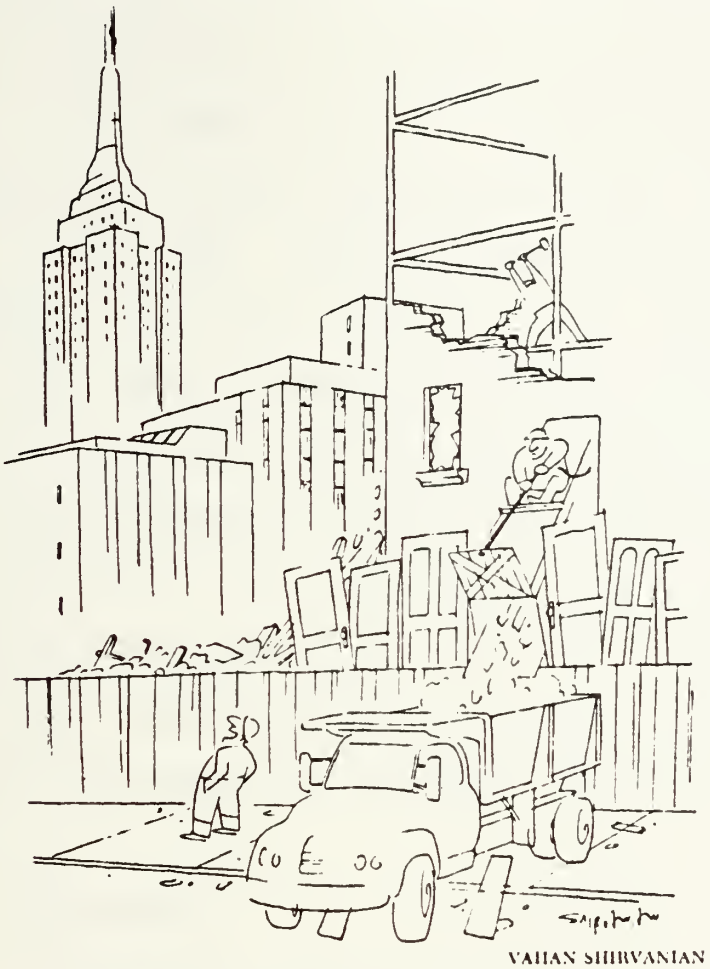
c. Review and Validation

(1) Local. The CO and PWO should ensure that each project submitted on OPNAV Form 11000/4 is a true reflection of real and tangible needs, is free from embellishments, has a sense of urgency associated with time, and is supported not only by theoretical criteria, but also by the existence of actual or known future problems affecting the mission of the activity.

(2) Engineering Field Division. The EFD is responsible for validating the technical data related to each project. If the project is considered invalid for any data item, and the discrepancy cannot be resolved with the activity, the reason for the invalidation should be recorded on the form.

(3) Major Claimant. Major Claimants review the OPNAV Form 11000/4 so that all projects included in the MILCON RL and the annual MILCON programs can be supported. In addition, the Major Claimant assigns project priorities to each project in accordance with current CNO guidance, and reviews the narrative justification and modifies it as required. The judgements of the Major Claimant are critical in selecting a given project for programming.

(4) Naval Facilities Engineering Command. Upon receipt of the project submission and endorsements, NAVFAC



VAHAN SHIRVANIAN

"One of these days, baby, one of these days . . ."

(Bailey, 1975)

reviews them to determine that all actions have been completed as required. If the review determines that the project is valid, it is entered into the MILCON RL for programming consideration.

6. MILCON Requirements List, Report 1360

a. Purpose

The MILCON Requirements List, Report 1360 (MILCON RL), provides a copy of program objectives data to all interested parties at periodic intervals in the general format of

the OPNAV Form 11000/4. A description of the format is contained in NAVFACINST 11010.44. The portion of that report applicable to each addressee (activity, Major Claimant, etc.) is provided. Those activities without projects in the MILCON RL data bank do not receive the report. The purposes of the report, a sample of which is shown in Figure IV-9, are to: provide a ready means for verification of data by the activity; provide a process for correcting errors for projects identified in the program; provide a means for identification of projects for which SFPS validation has not been completed; and to provide the activity with a continuous indication of the general programming status for its MILCON program.

b. Procedures

The data for the MILCON RL data bank is initiated at the activity by means of the OPNAV Form 11000/4. Since the Report 1360 contains data previously reported on the OPNAV form, it is used in lieu of the printed OPNAV form to report hand-written corrections or updating of information for projects already identified on the report.

In the event new projects are identified, or present projects are combined to create a new item, the new entry is submitted on the OPNAV form. The new entry would be an addition to the existing OPNAV form, however; once the Report 1360 has been established from previously submitted OPNAV forms, only the new project need be listed on the new OPNAV 11000/4.

REPORT: 1360 (OPNAV FORM 11000-4) Line Item for Correction of Facility Deficiencies

ACTIVITY NAME	ACT CODE	UIC	ARCO	SM	PM	DATE LAST REVISED
XXXXXXXXXXX	9999-999	X-99999-99	99	99		99/99/99
(1)	(2)	(3)	(4)	(5)	(6)	(7)

CF	IC	PPR	CAT CODE	LINE ITEM DESC.	IID	QUANTITY	UM	E/COST	EY	PY
**	99	999.9	999-99	XXXXXXXXXXX	999	9,999,999	XX	99,999	99	99
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

BOD	CB	C	%DW	%DWO	PI	MP	EC ANAL	FY	U
999	9	9	999	999	99	999	999,99	99	#
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)

The 1360 REPORT is in 2 sections:

1360 - By Sub-major Claiman
By Naval District
By Activity

13600 - By Naval District
By Sub-major Claimant
By Activity

1. Activity Name
2. Standard Navy Distribution List (Activity Code)
3. Unit Identifier Code
4. Area Code (Naval District)
5. Major Claimant or Sub-Major Claimant Code (as appropriate)
6. Primary Mission
7. Date Last Revised
8. Change Flag Indicates Change in Composition of Project
9. Investment Category
10. Major Claimant Priority
11. Category Code
12. Project Description
13. Project Identification (#)
14. Quantity
15. Unit of Measure
16. Cost
17. Estimated Base Year
18. Program Objective Fiscal Year
19. Beneficial Occupany Data
20. Critical BOD Code
21. Construction Code
22. Percent Deficiency With
23. Percent Deficiency Without
24. Primary Investment Program
25. Master Plan
26. Economic Analysis
27. FYDP Fiscal Year (NAVFAC Info Only)
28. Unvalidated Deficiency Code

FORMAT FOR REPORT 1360 (OPNAV Form 11000-4)

Figure IV-9

c. Review and Validation

(1) Activity. Upon the receipt of the Report 1360, COs are required to review the report and make corrections or recommendations in accordance with the instructions of NAVFACINST 11010.44, and forward the updated report to the EFD.

(2) Engineering Field Division. Upon receipt of the Report 1360 from activities, the EFD reviews and validates all projects and forwards the reports with appropriate endorsement through the activity's chain of command to NAVFAC.

(3) Major Claimant. Intermediate commands and Major Claimants review all submissions and forward the original marked-up reports to NAVFAC for updating in the Report 1360 data bank.

C. MASTER PLANS

1. Background

As the systems command responsible for shore installation planning, the Naval Facilities Engineering Command (NAVFAC) has established a program for preparation of plans for all Navy and Marine Corps activities. The broad term "plan" may be defined as a detailed scheme, program or method worked out in advance for the accomplishment of a goal or objective. When related to shore facilities, planning means the process of providing for the efficient and orderly development of real estate and facility resources.

Master planning is the scientific art of comprehensive planning performed for an activity or complex of activities

to ensure the timely and orderly physical development of facilities required to support present and future military operations. This process blends considerations of the total environment, including physical characteristics, operational necessities, human interests, natural resources, and areas of mutual interest beyond activity boundaries.

Upon approval by the Chief of Naval Operations, Master Plans are official planning documents for the activities. They become the media for maintaining continuity in future planning and development, thus obviating problems associated with changes of command and individual preferences. Approved Master Plans are utilized for siting all future facilities to ensure maximum economy of construction and operating efficiency and for evaluating the capability of the activity to meet its assigned mission and any contemplated changes thereto [CECOS, 1979].

2. Types of Plans

a. Naval Installation Master Plan [CECOS, 1979]

The Master Plan is the official planning document for the activity. It represents in graphic, narrative and tabular form the present composition of the activity and proposes the timely, orderly and efficient physical development required to perform its assigned mission and to meet its planned operational workload. The Master Plan also provides information useful in planning the operational expansion of the activity beyond its present mission. Most Master Plans contain architectural concepts for the activity;

it is important that this concept be recognized in the planning and design of new buildings so that they will be compatible with existing or planned structures.

b. Naval Complex Master Plan

A complex is a group of activities which are related operationally, and are generally in close geographical proximity. A single base command with various tenant activities would be the best example of a Naval complex.

The planning process for the development of Naval complex plans is similar to that for the development of installation master plans. The strongest differences between the two approaches is the greater complexity of the processes of data collection and planning analysis.

c. Naval Regional System Plan

Regional master planning processes are similar to those for installation master plans, but apply to a geographic region which may include several independent shore activities. An example of a regional plan is the Virginia Tidewater plan, which encompasses seven major installations within a 50-mile circle in the Norfolk area. Interaction with local and regional policy and planning bodies is a mandatory part of regional plan development.

3. Relation to Shore Facilities Planning System

The SFPS is the process through which activity facility requirements are identified and programmed for construction. The SFPS determines what is needed. The Master Plan deals with the questions of where to put facilities,

what environmental and historical factors must be considered, what supporting transportation and utility systems are needed, and what should facilities look like. The presence of a prospective facility project in an approved Master Plan document does not of itself represent CNO approval of that project. Likewise, the inclusion of a proposed demolition or other type of disposal on an approved Master Plan does not constitute CNO approval for that disposal.

4. Responsibilities

a. Naval Facilities Engineering Command

Master Plans are prepared by NAVFAC or the appropriate EFD, either in-house or by contract.

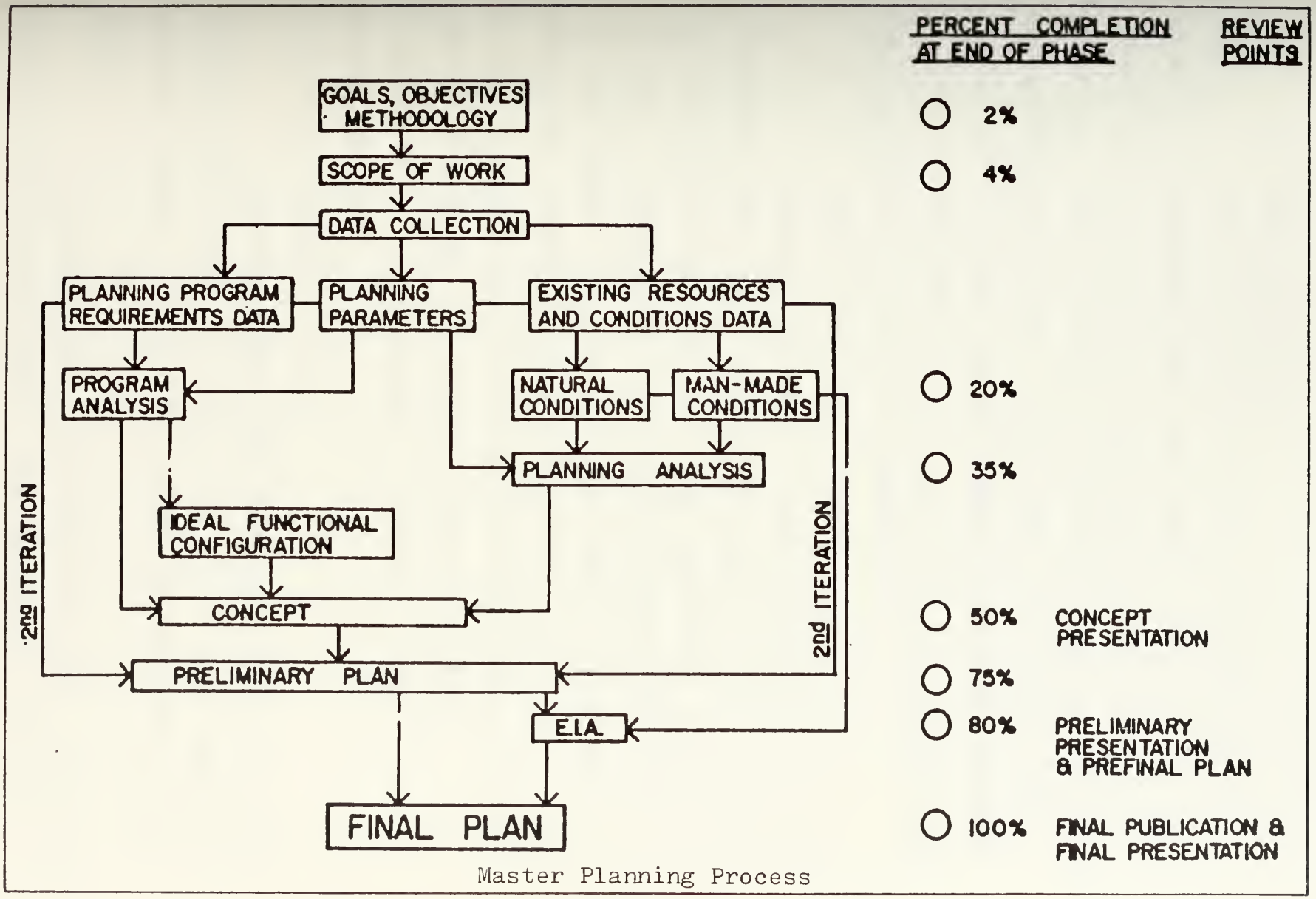
b. Activity

Although the activity is not directly responsible for Master Plan preparation, the CO must concur that the planned development satisfies military operational requirements, and should assist by reviewing site feasibility and functional efficiency of facility arrangements, particularly as they may affect military operations. The PWD or Planning Office should assist in preparation of the Master Plan by furnishing locally available planning data, maps and drawings.

5. The Process

a. General

The planning process is diagramed in Figure IV-10. Detailed guidance for preparation of master plans is contained in NAVFACINST 11010.63.



Master Planning Process

Figure IV-10

b. Data Collection

The main function of data collection is to provide an information and data base for analysis and utilization in the concept and comprehensive site development processes. The data should include both physical facilities requirements and natural and man-made constraints. Data collection techniques include completion of questionnaires by key activity personnel, a pre-planning conference, field investigations, and formal documentation.

c. Planning Analysis and Formulation

The planning analysis and formulation phase of the Master Plan should compare existing assets, requirements and functional relationships to the development potential of the site. Although there are many systematic approaches to the development of a plan, certain central issues should be addressed: program analysis (facilities and building requirements), planning analysis (natural and man-made conditions), concept development (ideal functional relationships), and comprehensive site development (land use, ultimate development plans, etc.)

d. Preliminary Plan

The preliminary plan should establish an overall plan for land and facility use, land allocation commensurate with the activity mission, and optimum utilization of Navy land.

The preliminary plan should include: alternative land use and site development plans prepared on the basis of

satisfying facility requirements in the most effective and efficient manner; planning rationale, including listing of advantages, disadvantages and cost estimates for each significant alternative proposed; graphic and narrative discussion of proposed vehicular, service, rail, emergency and pedestrian systems; a discussion of the existing energy systems, and an analysis of the capability of the systems to meet forecast demand; architectural design guidance; and the Capital Improvements Plan, discussed below.

e. Environmental Assessment

The Master Plan EA is prepared in accordance with OPNAVINST 6240.3.

f. Final Plan

After review of the preliminary Master Plan and the Environmental Assessment, the final Master Plan is prepared. The final plan includes all appropriate comments from reviewing agencies.

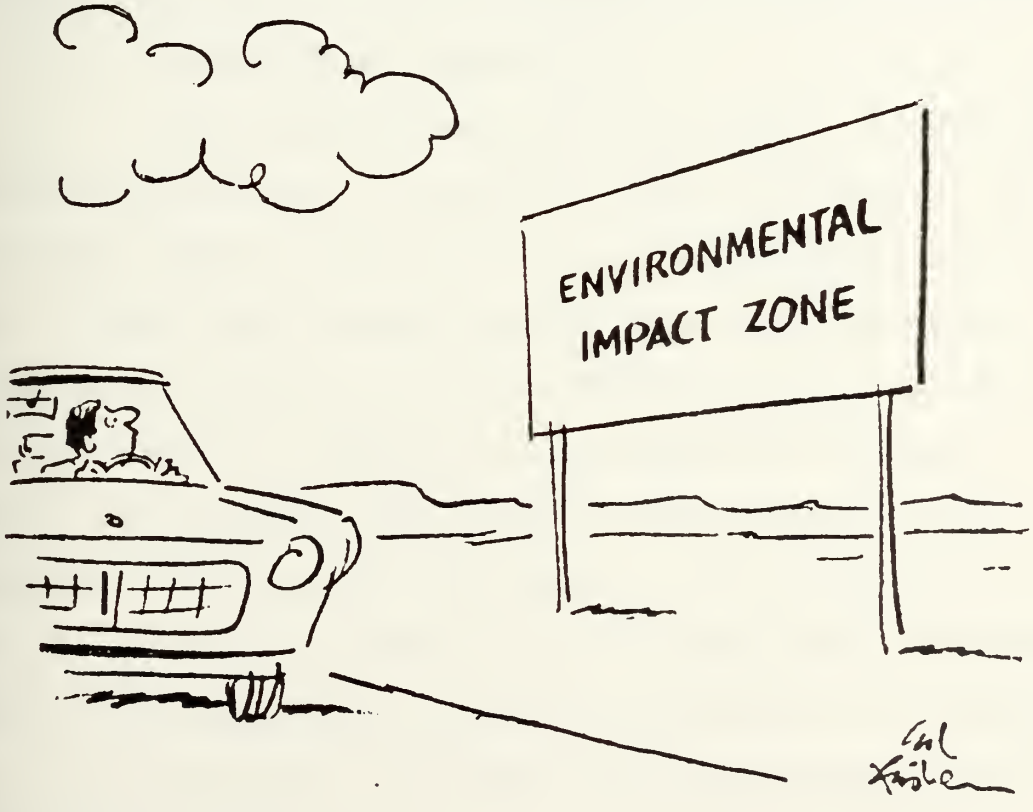
g. Review

(1) DOD. Review of the Master Plan at the local level and through the chain of command is coordinated by the EFD.

(2) Other Government Agencies. OMB Circular A-95 requires intergovernmental coordination for the planning and construction of federal buildings and installations to assure that any such federal plan or project is consistent with state and local development plans.

While A-95 is primarily concerned with construction projects, policy has been established to coordinate planning with state and local planning agencies which are authorized to develop environmental standards, and which have jurisdiction over land adjacent to the Naval installation; and to permit review of master plans by these agencies. Generally, this review will be after the plan has been approved within the DOD chain of command.

Activity COs are generally responsible for presenting plans to local agencies and implementing the A-95 requirements. However, for regional planning matters, the area coordinator exercises this responsibility, with the EFD assisting as needed.



(New Yorker, 1979)

In compliance with the Coastal Zone Management Act of 1972, master plans of installations within states' coastal zones are to be consistent with state or regional plans developed as part of the program.

6. Master Plan Content

a. Narrative

A narrative should develop the plan in a logical order directly relating to the stated planning methodology. Maps and graphics are to be integrated into the general narrative and referenced. The text should contain an executive summary, an introduction, and a statement of methodology.

b. Maps and Graphics

Maps, tables and graphics necessary to portray the planning proposals should be integrated with the text.

c. General Development Map

For some smaller activities, where the military construction program is limited in scope, the General Development Map series is used in lieu of comprehensive master plans. These maps provide accurate existing conditions, supplementary planning data, and the locations of planned MILCON projects as indicated on the OPNAV Form 11000/4. The location and vicinity maps identify significant off-site influences affecting the installation. The GDMs are also used at Departmental level on a day-to-day basis in making technical determinations for site selections or site approvals of new facilities. The GDM should be updated regularly.

d. Capital Improvement Plan

The CIP is a separate section of the Master Plan, designed to be updated to reflect current conditions without updating the entire plan. Specific information concerning scope, phasing, funding, design and construction is presented in the CIP. When the activity Master Plan is updated, a new CIP would be developed. For activities having a significant level of changing requirements or construction, the CIP would be updated annually.

The CIP contains the following information: a list of projects, phasing of projects, priority listing of projects, identification of project restrictions, and a site plan.

e. Energy Conservation Plan

The objective of the Energy Conservation Plan (ECP) is to demonstrate how planning concepts and criteria sensitive to Navy and federal policies on energy conservation have been integrated into the comprehensive planning process and how the Master Plan has provided for implementation of these concepts.

D. MILITARY CONSTRUCTION

1. Background

The final product of the Shore Facilities Planning System is the MILCON Requirements List, Report 1360 (MILCON RL) which is a composite list of previously authorized and funded projects, budgeted and programmed projects, and those projects which are required to satisfy deficiencies, but

which have not been programmed. The MILCON RL is utilized as one of the primary bases for determining the resources to be committed to military construction during the Navy programming process.

Thus, the MILCON program is the method of accomplishing the major (over $100,000) projects identified by the Shore Facilities Planning System.

2. MILCON Programming

a. Definitions

(1) MILCON, Military Construction. A broad term which includes all the military construction programs of the three military departments, plus the Defense Agencies.

(2) MCON, Military Construction, Navy. The basic or regular construction program which provides the bulk of the facilities in the shore establishment of the Navy. The MCON program is the principal focus of the Navy programming effort.

(3) MCNR, Military Construction Naval Reserve. The source of facilities in support of reserve programs, such as Reserve Training Centers and facilities at air stations which train reserves.

b. Congressional Role

The Navy can only build those projects for which Congress provides authorization and appropriates funds. Congress passes separate military construction legislation each year to authorize construction projects and appropriate the necessary funds. The House and Senate Armed Services

Committees, which have jurisdiction over authorization, and the Appropriation Committees, which provide military construction funds, each have established subcommittees to handle military construction matters.

c. MCON Program Components

There are three components of the MCON program:

(1) New Missions, New Hardware. New defense programs such as the Trident submarine inevitably require construction of new support facilities.

(2) Major Directed Initiatives approved by OSD or CNO often require significant investment in new facilities or modernization of existing plants. Programs for modernization of medical facilities and shipyard modernization are examples of major directed initiatives.

The first two components are known as directed programs. Resource allocations necessary to support these programs are approved through the Navy programming system, or the POM process. Once approved, these resources are considered fenced; they cannot be diverted to another purpose by the sponsor without specific approval by CNO for a Navy directed program, or by both CNO and OSD for an OSD directed program.

(3) Correction of Existing Deficiencies. This third component provides resources for replacement of aging, obsolescent facilities, rehabilitation of substandard facilities to bring them up to current standards, or the construction of facilities for long-standing needs which have gone unmet.

d. The MCON Process

(1) Introduction. Acquisition of facilities involves the four-step process of the PPB System: planning, programming, budgeting and execution.

(2) Planning. The Shore Facilities Planning System constitutes the planning phase of the MCON program.

(3) Programming. Programming to determine the military construction resource allocation and the projects to be constructed within the resources available is accomplished through the POM process. The support levels of the three MCON components are established within guidance provided by OSD and the CNO, based on sponsor recommendations. The sponsors develop and present issue papers, CNO Program Analysis Memoranda, Sponsor Program Proposal presentations, and inputs to the Navy Program Objectives Memorandum (POM).

The dollars for each directed program are identified to specific program elements in the Five-Year Defense Plan. Since these are directed programs, the resources may not be diverted to other programs without specific approval.

OP-44 takes the lead in supporting the resource requirements for the third component, Correction of Facilities Deficiencies. Early in the POM process, OP-44 prepares issue papers which analyze facilities deficiencies and the impact of those deficiencies on readiness. Based on this analysis, recommended resource allocations for correction of the most urgent deficiencies are submitted for CNO decision.

The Total Obligation Authority (TOA) for MCON is the sum of the allocations for directed programs and for correction of facilities deficiencies. The FY 1980 to 1984 MCON and MCNR TOA is shown as Figure IV-11.

Problems may arise in MCON programming due to the limited availability of funds; funds for the projects to correct deficiencies may be reallocated to directed programs. This situation arises when funds required for directed programs exceed first estimates; since the total resources are fixed, the additional funds must be taken from the sum designated for correction of deficiencies, thus forcing deletion of several valid projects.

(4) Programming Projects for Correction of Facility Deviciencies. Based on MILCON RL data bank information, funds are allocated among the investment categories based upon CNO assessments of the significance, in terms of impact upon operational readiness, of the project backlog in each investment category. Within investment categories, the Major Claimants compete for funds on the basis of Project Rating Values (PRV) computed for each deficiency project. The five factors considered in the computation are: activity mission, degree of deficiency which the project will overcome, type of facility, economic aspects, and Major Claimant priority.

The composition of the program derived from the programming system is then subject to review by the Navy Military Construction Review Board, which recommends approval

8 December 1978

FY 1980 - 1984 MCON/MCNR TOA DISTRIBUTION
OSD SUBMIT/BASIC LEVEL

IP		FY 80	FY 81	FY 82	FY 83	FY 84
	MCON TOA	739,570	746,302	831,568	885,357	879,690
	Less:					
	Access Roads	2,000	2,000	2,000	2,000	2,000
15	BEQ (Navy)	34,050	39,050	36,400	30,355	38,000
	P&D	1,800	1,800	2,900	1,200	1,600
80	C-4 Backfit	7,500	9,600	11,800	12,700	-
	P&D	500	200	700	700	-
81	Containerized Ammo	11,190	6,600	4,500	6,600	8,500
	P&D	300	400	300	400	500
57	CRYPTO	3,120	1,605*	6,300	3,400	3,100
46	WESTLANT Consolidation	-	3,600	-	-	-
16	Chapel	-	-	1,000	1,000	1,000
70	Energy Conservation	46,700	53,000	55,000	50,000	60,000
	P&D	3,480	3,000	3,100	2,800	3,400
55	Explosive Safety	15,900	17,500	20,000	15,000	20,000
	P&D	1,200	1,200	1,200	800	1,200
53	East Coast Relocation	21,111	-	-	-	-
	FICEUR/LANT Intelligence	-	-	-	1,400	-
27	Wholesale Consolidate	-	11,200	-	-	-
	P&D	-	500	-	-	-
78	Iceland	16,200	20,000	5,000	5,000	5,000
07	Medical/Health Facilities	13,200	-	54,700	33,000	141,500
	P&D	-	-	3,000	2,000	8,500
	Minor Construction	20,000	20,300	20,300	20,300	20,300
89	Naval Academy	6,550	-	13,200	7,600	9,500
	P&D	300	-	600	400	500
26	VSS	-	64,200	25,300	34,800	16,600
	P&D	-	1,400	1,500	2,100	1,000
19	F-18	6,300	-	4,800	9,300	2,360
	P&D	400	-	290	560	140
58	OSHA	10,000	17,600	20,400	20,100	23,100
	P&D	600	1,000	1,200	1,200	1,300
04/05	Pollution Abatement	86,600	72,600	74,500	-	-
	P&D	4,900	4,400	4,500	-	-
62	POL Modernization	0	4,400	15,000	-	-
	P&D	300	350	1,000	-	-
	Regular P&D	21,574	8,280	31,410	48,590	39,160
59	Repair by Replacement	6,220	0	10,000	6,000	10,400
	P&D	-	-	600	300	600
64	SATCOM Facilities	2,500	-	-	-	-
	P&D	130	-	-	-	-
02	Shipyard Modernization	60,685	80,300	80,000	67,000	75,500
	P&D	4,500	4,800	4,500	3,800	4,500
74	Waterfront Facilities	36,000	60,000	60,000	50,000	94,400
	P&D	2,000	3,600	3,600	2,800	5,600
29	Tomahawk Trainer	410	-	-	-	-
56	Special Training	6,000	7,500	1,700	2,100	-
	P&D	250	-	-	-	-
42	Shore IMA	10,300	14,600	-	-	-
	P&D	1,300	1,500	-	-	-
43	SURTASS	1,250	-	-	-	-
35	TRIDENT I	25,330	14,010	45,887	7,040	-
	P&D	1,600	1,070	400	250	-
	Continuing TRIDENT Program	-	96,500	266,100	370,200	216,200
	P&D	16,545	26,500	20,500	20,100	17,000
97	Special Acts - Classic Wizard	5,900	5,600	4,000	3,000	-
	WWMMCS	-	1,600	400	-	-
	Subtotal	222,875	62,937	(88,019)	39,462	47,230
	MARCORPS	81,655	50,430	38,600	43,350	48,370
	Remaining for Distribution	141,220	12,507	(126,619)	(3,888)	(1,140)
	MCNR TOA					
	Regular Program	23,300	23,500	23,500	23,500	23,500
	Pollution Abatement	1,500	-	-	-	-
	Energy Conservation	500	500	500	500	500
	TOTAL	$29,300	$24,000	$24,000	$24,000	$24,000

* 650K Energy Project and $545 OSHA Projects not included.

MCON/MCNR TOA Distribution

Figure IV-11

or changes to the CNO. CNO, in turn, makes recommendations to SECNAV, who forwards the MILCON budget estimate to OSD and thence to Congress.

3. Budgeting

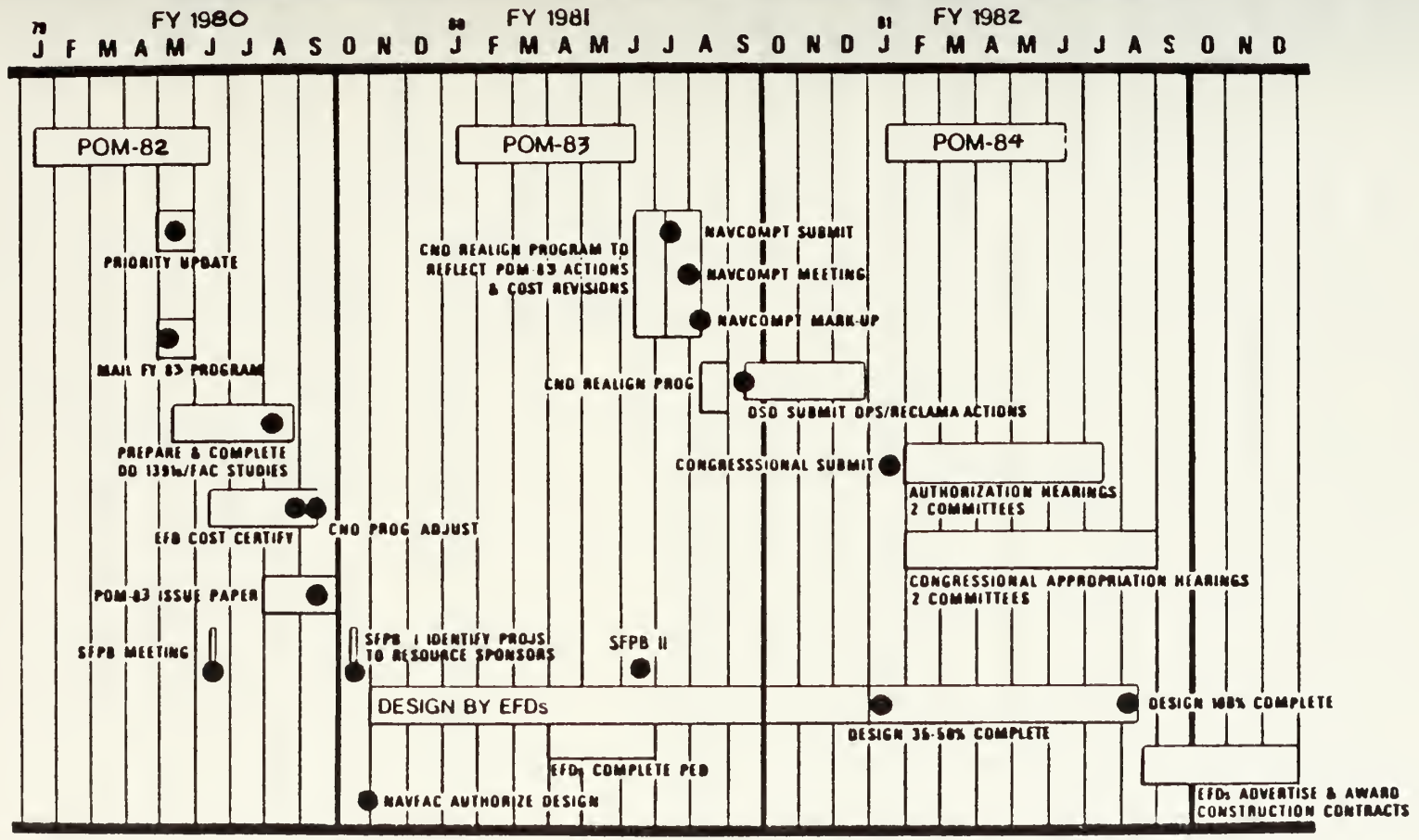
On call from OSD and NAVCOMPT, NAVFAC assembles the MCON budget request for OPNAV. Each project is described in a DD Form 1391, which provides the project justification, a detailed description of the physical scope, and a breakdown of the estimated cost.

The budget request is submitted each July to NAVCOMPT for review and approval. The request is then forwarded to OSD and the Office of Management and Budget (OMB), where joint working level hearings are held. The OSD and OMB decisions on the budget are handed down in Decision Package Sets (DPS) in November and December. After realignment to reflect the DPSs, the program is submitted to Congress in January as part of the President's budget.

The Program/Budget cycle for Fiscal Year 1983 is shown in Figure IV-12.

4. Execution

Under the Budget Control and Impoundment Act, the MILCON Authorization and Appropriation Acts are enacted by 1 October, the start of each fiscal year. Execution of the program is guided by the two laws, the Congressional committee reports, the DD Form 1391s submitted to Congress, and the Navy testimony during the hearings.



MILITARY CONSTRUCTION TIME CYCLE

Figure IV-12

NAVFAC is responsible for execution of the construction programs; the responsibility includes engineering design as well as construction. Congress has authorized advance planning and design, so that designs are started as much as two years ahead of enactment of authorization and appropriations so that design is ready for construction contract advertisement as soon as the legislation has been signed by the President and the funds have been apportioned.

NAVFAC executes design and construction through the EFDs. The contracting organization includes Officers in Charge of Construction (OICCs) and Resident Officers in Charge of Construction (ROICCs). The OICC may be an EFD Commander/ Commanding Officer, an independent OICC, or a PWO. The ROICC is the representative of the Contracting Officer in charge at the actual construction site.

5. Documentation

a. Background

The following documents are required to support MILCON projects:

(1) Facility Study. The Facility Study is a supplemental document to expand the data provided on the other forms; however, it provides the detailed justification for the project. Included in the Facility Study are economic analyses, environmental assessments, energy conservation evaluations and other data.

(2) DD Form 1390--Installation Data Sheet. This form provides installation name and location, Major

Claimant, area cost index, personnel strength, inventory data, projects listing, installation mission and other general information.

(3) DD Form 1391--Item Justification Sheet. This form provides general information about the project, including title, cost estimate, scope, description of work and requirement for the project.

(4) DD Form 1391c--Continuation Sheet. This document is used for the Facility Study and for supplemental statements required for project review.

(5) DD Form 1390s--Guard and Reserve Forces Document. This format provides specific information required in support of projects for National Guard and Reserve forces projects.

Each of these formats are discussed in detail in the following paragraphs.

b. Facility Study

(1) Purpose. The primary purpose of the Facility Study is to provide complete support data for a specific project. Information contained in the study facilitates completion of the other formats, and serves as the source of documentation to defend the project through the various review processes. The format of the study has been designed to answer the questions most often raised during the review cycle. The study is used for amplification and clarification of the abbreviated comments of the other formats, and for specific required information and quantitative data.

(2) Format. The Facility Study is prepared on DD Form 1391c, according to the detailed format provided in NAVFACINST 11010.32. A Sample Facility Study, containing a summary of items to be included in the study, is provided as Figure IV-13.

c. Installation Data Sheet--DD Form 1390

(1) Purpose. Each activity which submits a project in an annual MILCON program must prepare a DD Form 1390, which bears a list of the projects in the program, including requests for new authorization, funding of new authorization and funding of prior years' authorizations.

At some levels of review, the DD Form 1390 may be used independently to present the activity's program, without the DD Form 1391. Entries on the form must, therefore, be complete and factual.

(2) Format. The detailed format for preparation of the DD Form 1390 is contained in NAVFACINST 11010.32; a sample format is provided as Figure IV-14.

d. Item Justification Data Sheet--DD Form 1391

(1) Purpose. The DD Form 1391 is used to support each project proposed for inclusion in the MCON program. This includes both new authorization requests and prior years' unfunded authorization projects. As it relates to military construction, the term "project" is a statement of construction requirement for a facility in terms of title, category code, unit of measure, quantity, estimated cost, description of construction and requirement. A project

1 COMPONENT	FY 19__ MILITARY CONSTRUCTION PROJECT DATA	2 DATE
NAVY		
3 INSTALLATION AND LOCATION		
4. PROJECT TITLE		5 PROJECT NUMBER
FACILITY STUDY - (Project Title)		

(For description or content of each paragraph listed below, see Part II of the basic instruction.)

1. Project
2. Current and Planned Future Workload with Regard to this Project
3. Description of Proposed Construction
4. Cost Estimates
5. Justification for Project and for Scope of Project
6. Equipment Provided From Other Appropriations
7. Common Support Facilities
8. Effect on Other Resources
9. Siting of the Project
10. Other Graphic Presentations, Including Photographs
11. Economic Analyses
12. Environmental Impact
13. Quantitative Data

DD FORM 1 DEC 76 1391c

Facility Study
Figure IV-13

1 COMPONENT	FY 19 78 MILITARY CONSTRUCTION PROGRAM	2 DATE
NAVY		1 FEB 1977

3 INSTALLATION AND LOCATION	4 COMMAND	5 AREA CONSTR COST INDEX
NAVAL STATION, NORFOLK, VIRGINIA	COMMANDER IN CHIEF, ATLANTIC FLEET	1.00

6 PERSONNEL STRENGTH	PERMANENT			STUDENTS			SUPPORTED			
	OFFICER	ENLISTED	CIVILIAN	OFFICER	ENLISTED	CIVILIAN	OFFICER	ENLISTED	CIVILIAN	TOTAL
a. AS OF 9/30/76	3251	43634	9474	80	806	8	91	955	0	58299
b. END FY 82	3500	54957	9474	143	1026	8	160	902	0	70170

7 INVENTORY DATA ($000)	
a TOTAL ACREAGE	(1,485)
b INVENTORY TOTAL AS OF 30 SEP 1976	104,158
c AUTHORIZATION NOT YET IN INVENTORY	47,739
d AUTHORIZATION REQUESTED IN THIS PROGRAM	3,800
e AUTHORIZATION INCLUDED IN FOLLOWING PROGRAM	7,363
f PLANNED IN NEXT THREE PROGRAM YEARS	47,400
g REMAINING DEFICIENCY	71,000
h GRAND TOTAL	281,460

8 PROJECTS REQUESTED IN THIS PROGRAM

CATEGORY CODE	PROJECT TITLE	SCOPE	COST ($000)	DESIGN STATUS START	DESIGN STATUS COMPLETE
151.20	Pier Extension and Utilities	LS	3,800	2-76	4-77

9. Future Projects:

a. Included in following program (FY 79):

163.20	Dry Dock Mooring Facility	LS	4,975
721.11	Bachelor Enlisted Quarters Modernization	39,366SF	2,388
			7,363

b. Major planned next three years:

155.21	Deperming Facility	11,863SF	1,153
213.77	Shore IMA Facility	LS	22,100
721.21	Bachelor Enlisted Quarters Modernization	LS	2,875

10. Mission or Major Functions: Provide logistic support for the operating forces of the Atlantic Fleet, tenant activities, and other assigned commands.

Ships & Staff Units assigned to Norfolk
Headquarters, Fifth Naval District
Naval Schools/Training Commands
Naval Engineering/Public Works Commands
Naval Communications Area Master Station
Dispensary/Dental Clinic/Alcohol Rehabilitation Center
Navy Exchange/Special Services
Correctional Center
Port Services
Naval Publication and Printing Service
Navy Supply Center

DD FORM 1 DEC 68 1390

DD form 1390
Figure IV-14

consists only of those elements necessary to produce a functional entity; it usually has a clearly dominant feature such as a building or structure, and supporting features.

It is important that reviewers in the chain of command be assured that the proposed project is adequate to support the mission and that the deficiency to be corrected has been validated through the SFPS. Also, it is important that the cost estimate presented on the DD Form 1391 be based on the estimated contract cost for the expected contract award date. Accordingly, each format must include the following statement signed by the Commanding Officer of the activity:

"Project scope and description certified adequate to satisfy mission and functions."

Upon completion of its review, the EFD certifies the format with the following statements:

"Cost estimate and facility data certified for technical adequacy and conformance to the SFPs. Anticipated date of contract award (month/year)."

(2) Format. The format for preparation of DD Form 1391 is contained in NAVFACINST 11010.32; a sample format is provided as Figure IV-15.

e. Item Justification Data Sheet (Continuation)--DD Form 1391c

(1) Purpose. This form is used for continuation of DD Form 1391 entries where more space is required. It is also used to provide certain mandatory statements which evidence consideration of: pollution prevention, abatement and control; flood hazard evaluation; environmental impact; facility construction in the NATO area; planning in the

1 COMPONENT	FY 19 79 MILITARY CONSTRUCTION PROJECT DATA	2 DATE
NAVY		1 OCT 1977

3 INSTALLATION AND LOCATION	4 PROJECT TITLE
CHARLESTON NAVAL SHIPYARD, CHARLESTON, SOUTH CAROLINA	PIPEFITTING SHOP

5 PROGRAM ELEMENT	6 CATEGORY CODE	7 PROJECT NUMBER	8 PROJECT COST ($000)
7 20 28 N	213.55	P-626	6,900

9 COST ESTIMATES

ITEM	U/M	QUANTITY	UNIT COST	COST ($000)
PIPEFITTING SHOP	SF	125,000	40.18	5,023
BUILDING	SF	125,000	38.26	(4,782)
BUILT-IN EQUIPMENT	LS	-	-	(241)
SUPPORTING FACILITIES	-	-	-	921
SPECIAL CONSTRUCTION FEATURES	LS	-	-	(552)
ELECTRICAL UTILITIES	LS	-	-	(78)
MECHANICAL UTILITIES	LS	-	-	(218)
SITE IMPROVEMENT	LS	-	-	(73)
SUBTOTAL	-	-	-	5,944
CONTINGENCY (10%)	-	-	-	594
TOTAL CONTRACT COST	-	-	-	6,538
SUPERVISION, INSPECTION & OVERHEAD (5.5%)	-	-	-	360
TOTAL REQUEST	-	-	-	6,898
TOTAL REQUEST (ROUNDED)	-	-	-	6,900
EQUIPMENT PROVIDED FROM OTHER APPROPRIATIONS	-	-	(NON-ADD)	

10 DESCRIPTION OF PROPOSED CONSTRUCTION

Steel frame building, metal sides and roof, concrete floor on piling, 10-ton overhead travelling crane, railroad spur through building, fire protection system, relocate existing utilities and provide new utility connections. Air conditioning - 48 tons.

11. REQUIREMENT: 125,000 SF. ADEQUATE: 0 SF. SUBSTANDARD: 98,122 SF.

PROJECT: Constructs new consolidated Pipe Shop.

REQUIREMENT: Overhaul and repair of modern submarines and surface ships requires a well structured shop area allowing optimum arrangement of shop equipment for fabrication of piping systems, refrigeration and air conditioning work, manufacture of gaskets and hangers, and facilities for chemical cleaning.

CURRENT SITUATION: The functions of the Pipe Shop are located in 10 facilities dispensed throughout the shipyard. Shops are overcrowded and equipment poorly arranged in buildings not designed for the purpose. The result is inefficient work flow and excessive costs.

IMPACT IF NOT PROVIDED: Pipe shop functions will continue as inefficient and ineffective operations, and further deteriorate proportionately with aging of existing facilities and equipment.

ADDITIONAL: An economic analysis has been prepared for this project. The payback period is 21 years over a 25 year economic life. An industrial engineering study is currently being performed and a new economic analysis with improved benefits is anticipated.

(Continued on DD 1391c)

DD FORM 1 DEC 76 1391

DD form 1391
Figure IV-15

National Capital region; fallout shelter consideration; International Balance of Payments procedures; preservation of historic sites and structures; design for accessibility of physically handicapped persons; and "new start" criteria for Commercial or Industrial Activities Programs.

(2) Format. A sample DD Form 1391c is provided as Figure IV-16.

f. Guard and Reserve Forces Supplement--DD Form 1390s

(1) Purpose. The DD Form 1390s, a two-page format, is used only by Reserve Force activities to supplement data entered on the DD Form 1391.

(2) Format. Directions for completion of DD Form 1390s are contained in NAVFACINST 11010.32; a sample format is provided as Figures IV-17 and IV-18.

6. Preparation

The PWO should review carefully the project submittals to ensure that all necessary supporting facilities and utilities are identified and included in the project scope. Particular emphasis should be placed on ensuring that electrical, water and sewage systems can handle the additional load produced by the proposed facility. Additionally, the PWO should coordinate preparation of project documents with the end user to ensure that the propsoed scope is adequate to meet needs.

Another concern of the PWO is the impact of the project upon other resources. For example, a new facility may require maintenance personnel and funds for which the PWD must budget in advance. A new facility may have an

1 COMPONENT	FY 19_79 MILITARY CONSTRUCTION PROJECT DATA	2 DATE
NAVY		1 OCT 1977

3 INSTALLATION AND LOCATION

CHARLESTON NAVAL SHIPYARD, CHARLESTON, SOUTH CAROLINA

4 PROJECT TITLE	5 PROJECT NUMBER
PIPEFITTING SHOP	P-626

11. REQUIREMENT (Continued)

COMMERCIAL OR INDUSTRIAL ACTIVITY: This government industrial activity is authorized under OMB Circular A-76, Condition 5b. (Combat support, or mobilization readiness).

DD FORM 1 DEC 76 1391c

DD form 1391c
Figure IV-16

1 COMPONENT	FY 1979 GUARD AND RESERVE MILITARY CONSTRUCTION	2 DATE
N&MCR		12 SEP 1977

3 INSTALLATION AND LOCATION	4 AREA CONSTR COST INDEX
NAVAL AIR STATION SOUTH WEYMOUTH, MASSACHUSETTS	1.05

5 FREQUENCY AND TYPE OF UTILIZATION

Drill three weekends per month plus annual active duty training for the South Weymouth squadrons/units.

6 OTHER ACTIVE/GUARD/RESERVE INSTALLATIONS WITHIN 25 MILE RADIUS

4 Army Reserve Activities; 3 Navy Reserve Activities; 1 Marine Corps Reserve Activity; 22 Massachusetts National Guard Activities; 1 Army Reserve Base, and 1 Coast Guard Base

7 PROJECTS REQUESTED IN THIS PROGRAM

CATEGORY CODE	PROJECT TITLE	SCOPE	COST ($000)	DESIGN STATUS START	DESIGN STATUS COMPLETE
136.10	Approach Lighting	LS	273	9/77	2/78
171.15	Training Building Alteration	20,000 SF	520	9/77	2/78
			793		

8 STATE RESERVE FORCES FACILITIES BOARD RECOMMENDATION

18 MAY 77 (Date)

Unanimously approved for unilateral construction

9 LAND ACQUISITION REQUIRED

NONE (Number of Acres)

10 PROJECTS PLANNED IN NEXT FOUR YEARS

P-130	Rehab 01/02 Areas	LS	1,434
P-122	Aircraft Rinse Facility	LS	507
P-140	Storm Sewer	LS	2,700
P-040	Aircraft Parking Apron	LS	3,550
P-043	Perimeter Road	LS	900

DD FORM 1 DEC 76 1390s

DD form 1390s, Page 1
Figure IV-17

1 COMPONENT	FY 1979 GUARD AND RESERVE MILITARY CONSTRUCTION	2 DATE
N&MCR		12 SEP 1977

3 INSTALLATION AND LOCATION
NAVAL AIR STATION
SOUTH WEYMOUTH, MASSACHUSETTS

11 PERSONNEL STRENGTH AS OF 1 APRIL 1977

	PERMANENT				GUARD/RESERVE		
	TOTAL	OFFICER	ENLISTED	CIVILIAN	TOTAL	OFFICER	ENLISTED
AUTHORIZED	931	49	628	254	2283	487	1796
ACTUAL	822	44	534	244	1872	444	1428

12 RESERVE UNIT DATA

UNIT DESIGNATION	STRENGTH AUTHORIZED	STRENGTH ACTUAL
VP-92	343	322
HS-74	147	144
NAS BRUNSWICK 4291	182	128
NAS SO. WEYMOUTH 1291	58	73
NAS OCEANA DET 291	58	46
NAVSTA ROTA 0391	86	75
AIR MAT OFF DET 291	18	12
PATROL WING LANT 491	19	17
VP-0810	169	137
FASOTRGR 0491	45	13
HS 1191	18	31
HSL 3291	72	0
TACTICAL SUP CEN 191	26	17
WEPSUP 0191	21	15
NAVAL WEATHER SERV 1091	20	16

(CONTINUED ON DD 1391c)

13. MAJOR EQUIPMENT AND AIRCRAFT

TYPE	AUTHORIZED	ASSIGNED
STATION US-2B	1	1
HS-74 SH-3	8	8
VP-92 P-3	9	9
VMA-322 A-4E	12	12
HML-771 UH-1E	6	6

DD FORM 1 DEC 76 1390s

DD form 1390s, Page 2
Figure IV-18

adverse impact upon the activity energy conservation program. The PWO must identify all additional resource requirements and plan to obtain those resources.

The type of construction chosen for the new facility may have long-term implications for the activity O&M,N resources. It is noted that some guidance concerning type of construction may be contained in the installation Master Plan. Life-cycle cost must be considered during the project design state.

7. Project Engineering Documentation

a. Purpose

The Project Engineering Documentation (PED) is used in the processing and justification of the MILCON program to OSD/OMB and the Congress. The PED is always produced as part of a 30 percent design, and includes preliminary project cost estimates, outline specifications, preliminary drawings, and supporting data.

Many of the items included in the PED are also required for the Facility Study. This is not an inadvertent duplication, but rather a deliberate effort to evaluate and then build upon the Facility Study as necessary in the final design process. Facility Studies are prepared at the activity level prior to the time that the MILCON program is first formulated. The information in the Facility Study should be the most accurate and current information available at that stage of the project. After the program has been formulated, the NAVFAC EFDs are authorized to proceed with development

of a 30 percent design. The PED taken from the 30 percent design effort, while covering many of the items which were included in the Facility Study, must be further refined to the degree consistent with the more detailed development of the project. The important difference is that the Facility Study is the using activity's initial description of a facility to satisfy its defined requirements, whereas the PED is based upon a complete design analysis and developed design concepts.

b. Format

Detailed instructions for preparation of the PED are contained in NAVFACINST 11010.14.

8. Special Considerations

a. Non-Appropriated Fund Projects

Programming of non-appropriated fund projects is a joint responsibility of NAVFAC and the Navy Resale System Office (NRSO) of the Supply Systems Command, or the Chief of Naval Personnel, depending upon the type of facility involved. Procedures for obtaining non-appropriated fund assistance for programs administered by BUPERS are outlined in the Special Services Manual, NAVPERS 15869B. The procedures of NAVFACINST 11010.44 are to be followed as they relate to identification of requirements, assessment of existing facilities and reporting of excesses and deficiencies.

b. Health and Medical Facilities

The programming of military health and medical facilities varies from the normal procedures for MILCON

projects in that projects must be approved by the Assistant Secretary of Defense (Health Affairs) prior to inclusion in the MILCON program. The Chief, Bureau of Medicine and Surgery has technical responsibility for coordination of the Health and Medical Facilities Program, and is available to activities for assistance in matters concerning medical facilities.

c. Supply Facilities

Facility requirements for supply facilities (category codes 430, 440 and 450) must be approved by the Naval Supply Systems Command (NAVSUP) prior to NAVFAC approval. NAVFAC coordinates the NAVSUP review.

d. Combined Reserve Centers

Combined Navy and Marine Corps Reserve Training Centers are under the command of CNO; the facility programs for these activities are coordinated and administered by the Chief of Naval Reserves. The Marine Corps elements of these combined centers, however, are considered as tenants and perform their facility planning and programming as directed by the Commandant of the Marine Corps.

e. Marine Corps Activities

Marine Corps shore activities do not utilize the Navy Shore Facilities Planning System. The Commandant of the Marine Corps has issued separate instructions for Marine Corps activities, which are very similar to those for the SFPS. The formats used for MILCON projects are the same as used by the Navy, but the review cycle is different.

f. Unaccompanied Personnel Housing

The responsibility for managing the unaccompanied personnel housing requirements of the Navy is assigned to the NAVFAC Assistant Commander for Family Housing. The annual Determination of Unaccompanied Personnel Housing Requirements Survey (UPHS) forms the basis for justification of construction or modernization of unaccompanied personnel housing facilities. The UPHS must be incorporated into the SFPD, and the assets data must be reflected in the NFADB.

9. Collateral Equipment [CECOS, 1979]

a. Personnel Support Facilities.

The main responsibility for initial outfitting of personnel support facilities rests with the cognizant EFD, but the EFD normally coordinates closely with the activity. The EFD ensures compliance with habitability standards and criteria in the provision of a complete professional interior design, in accordance with NAVFACINST 11012.120. A shopping list for furniture and furnishings in the design plan is provided to the activity, along with the funds; the activity then normally takes the procurement actions.

b. Other MCON/MCNR Facilities

Collateral equipment lists for other MCON projects (administrative buildings, instructional buildings, fire stations, hangers, hospitals, research facilities, etc.) usually originate from the project supporting documentation, and are revised by the activity prior to contract award.

The activity may require assistance from various system command offices, but primary action rests with the activity.

Information concerning programming for collateral equipment is contained in NAVFACINST 7040.3.

E. FACILITY PROJECTS

1. Military Construction

a. Annual MILCON Program

The annual MILCON Authorization and Appropriation Acts provide funds for accomplishment of projects identified through the Navy Shore Facilities Planning System (SFPS). The MILCON and SFPS were discussed in previous sections of this chapter. All construction projects which cost over $100,000 must be included in the MILCON program; however, special procedures have been established for funding and administration of those projects which fall into one of four Exceptional Construction Authority categories. These categories, which will be discussed in the following sections, are: Emergency Construction; Major Restoration or Replacement of Damaged Facilities; Minor Construction (exigent Subcategory); and Secretary of Defense MILCON Contingency Authority.

b. Emergency Construction

(1) Authority. The MILCON Authorization Act provides authority for accomplishing emergency military construction projects costing less than $500,000, subject to approval by the Secretary of Defense. The emergency

authority applies to projects necessitated by unforeseen research and development requirements, improved production schedules, revisions in tasks and functions assigned to an activity, and for environmental considerations which threaten the loss of mission capability. The purpose of the authorization is to provide a means to meet unforeseen requirements which demand remedy sooner than if included in the next regular MILCON program.

(2) Funding. Funds for emergency construction projects are obtained from MILCON funds made available as the result of accruals from favorable contract awards or project cancellations; emergency construction project funds are not programmed.

(3) Project Submittal. Emergency construction projects must be approved by the Assistant Secretaries of Navy and Defense (Manpower, Reserve Affairs and Logistics), ASD (Comptroller) and the Office of Management and Budget; in addition, the Congressional Armed Services Committees must be informed. In view of the high levels of approval required, this type of project is restricted to those situations vital to the security of the United States.

c. Major Restoration or Replacement of Damaged Facilities

(1) Authority. Funds available from the MILCON appropriations may be used to replace or restore damaged facilities. This authority is limited to complete replacement or major restoration (more than 50 percent of replacement

cost) projects in excess of $500,000. If the project costs between $100,000 and $500,000, and is exigent, it should be considered as Exigent Minor MILCON; if it is less than $100,000, it should be considered as Claimant Funded Minor Construction. If the project is neither complete replacement nor major restoration, it is a repair project and should be processed as such.

(2) Funding and Approval. Funding and approval for Major Replacement or Restoration Projects is similar to that for Emergency Construction.

d. Minor Construction

(1) Authority. All construction projects costing $500,000 or less are classified as Minor Construction. MILCON legislation does not contain individual projects less than $500,000, except for real estate acquisition. There are three categories of Minor Construction:

Specified Locations Minor MILCON (SLMM) includes those projects between $100,000 and $500,000 which are not exigent. SLMM projects are handled as a subset of MILCON; procedures for processing these projects are the same as for MILCON projects.

Exigent Minor MILCON (EMM) projects are those between $100,000 and $500,000 which demand remedy sooner than would be possible through the next SLMM program. EMM is the same as the former Urgent Minor Construction. Also, projects costing less than $500,000 can be approved under the EMM program if the construction will result in a savings

in operation and maintenance costs which will produce a three year or less payback period. Details of this program are provided in DODINST 7041.3 and NAVFAC P-442.

The essential tests in defining an EMM project are: was the requirement unanticipated; will waiting for the next regular MILCON program produce unacceptable and highly unfavorable impacts; will there be a direct adverse operational effect if the facilities are not provided; is there an excess in existing facilities which could be used to fulfill needs; and can a facility be constructed to meet needs within the fund criteria? [Ledder, 1976].

Claimant Funded Minor Construction (CFMC) includes projects less than $100,000 for construction work funded from O&M,N, RDT&E, NIF or other accruals.

(2) Funding. The annual MILCON authorization and appropriation contain lump sum funds for minor construction categorized as SLMM or EMM. Funds for CFMC are assigned to the Major Claimants through the annual O&M,N and RDT&E budget processes.

(3) Approval Authority. Approval authority for minor construction projects is shown on Figures IV-19 and IV-20 for regular shore activities, Figure IV-21 for NIF activities, and Figure IV-22 for Reserve activities.

e. Military Construction Contingency Authorization

The MILCON authorization act provides to SECDEF the authority to establish facilities vital to the security of the United States. Two situations are included: a

Regular Shore Activities[1,2]

Category of Work	Cost Limits $	Project Format	Submission TO	Submission VIA	Approval Authority	Funds Source	Reference Chapter in Manual
1. Maintenance							
(a) Continual (Non-IBOP)	NONE	NONE	NONE		C.O.	Footnote 3	5
(b) Continual (IBOP)	(1) 0-100,000	NONE	NONE		C.O.	Footnote 3	5
	(2) over 100,000	9-11014/64 11013/7	MAJOR CLAIMANT		MAJOR CLAIMANT	Footnote 3	5
(c) Specific (Non-IBOP and IBOP)	(1) 0-25,000	NONE	NONE		C.O.	Footnote 3	5
	(2) over 25,000	9-11014/64 11013/7	MAJOR CLAIMANT		MAJOR CLAIMANT	MAJOR CLAIMANT	5 & 7
2. Repair[4]							
(a) Non-IBOP	(1) 0-25,000	NONE	NONE		C.O.	Footnote 3	4
	(2) 25,001-400,000	9-11014/64 11013/7	MAJOR CLAIMANT		MAJOR CLAIMANT	MAJOR CLAIMANT	4 & 7
	(3) over 400,000	9-11014/64 11013/7, 1391	NAVFAC	EFD & MAJOR CLAIMANT	ASN (M, RA & L)	MAJOR CLAIMANT	4 & 7
(b) IBOP	(1) 25,000	NONE	NONE		C.O.	Footnote 3	4
	(2) 25,001-400,000	9-11014/64 11013/7	MAJOR CLAIMANT		MAJOR CLAIMANT	MAJOR CLAIMANT	4 & 7
	(3) over 400,000	9-11014/64 11013/7, 1391	NAVFAC	EFD & MAJOR CLAIMANT	ASN (M, RA & L)	MAJOR CLAIMANT	4 & 7
(c) Repair costing over $100,000 and over 50% of replacement value	over $100,000	9-11014/64 11013/7, 1391	NAVFAC	EFD & MAJOR CLAIMANT	ASN (M, RA & L)	MAJOR CLAIMANT	4

[1]For nonappropriated fund projects, see Chapter 10, Part 2.

[2]For RDT & E activities projects beyond C.O. approval will be submitted to the appropriate chief, commander or head of command, bureau, systems command or office which is responsible for administration and funding.

[3]Activity Maintenance Funds (OMN).

[4]For repair or restoration projects of naval nuclear propulsion support facilities, see paragraph 4109.

Shore Activities Project Approval Authority, Page 1

Figure IV-19

Regular Shore Activities[1,2]

Category of Work	Cost Limits $	Project Format	Submission TO	Submission VIA	Approval Authority	Funds Source	Reference Chapter in Manual
3. Minor Construction (see footnote 8)	0-15,000	NONE	NONE		C.O.	Footnote 3	2
	15,001-100,000	9-11014/A4 11013/7	MAJOR CLAIMANT	Footnote 4	MAJOR CLAIMANT	MAJOR CLAIMANT	2 & 7
	100,001-300,000	1391, 11011/7 Certificate of Compliance Facility Study	CNO	FFD, Major Claimant, Support Agency, NAVFAC	CNO Footnote 5	CNO(MCON)	2
	300,001-400,000	1391, 11011/7 Certificate of Compliance Facility Study	ASN (M, RA & L)	FFD, Major Claimant, Support Agency, NAVFAC, CNO	ASN (M, RA & L) Footnote 5	CNO(MCON)	2
	400,001-500,000	1391, 11011/7 Certificate of Compliance Facility Study	ASN (M, RA & L)	FFD, Major Claimant, Support Agency, NAVFAC, CNO	ASD (M, RA & L)	CNO(MCON)	2
4. Equipment Installation							
(a) Non-Construction Costs	0-10,000	NONE	NONE		C.O.	Footnote 7	6
	over 10,000	9-11014/A4 11011/7	Support Agency	Footnote 5	Support Agency	Support Agency	
(b) Costs directly related to equipment installation							
1. Maintenance & Repair	Same as Sections 1 and 2 above (Footnote 6)						
2. Alterations	Same as Section 1 above except that support agency has funding responsibility (Footnote 6)						
3. New Construction	Same as Section 3 above (Footnote 6)						
5. Restoration of Damaged Facilities Major restoration costs in excess of 50% of complete facility replacement cost. (Projects qualifying as repair (see section 2 above)). (Projects qualifying as construction (see section 3 above)) (see footnote 9)	NONE	1391, 11011/7 Facility Study	ASN (M, RA & L)	FFD, Major Claimant, Support Agency, NAVFAC, CNO NAVCOMPT	ASD (N, RA & L)	CNO(MCON)	2

[1]For nonappropriated fund projects, see Chapter 10, Part 2.

[2]For RDT & E activities projects beyond C.O. approval will be submitted to the appropriate chief, commander or head of command, bureau, systems command or office which is responsible for administration and funding.

[3]Activity Maintenance Funds (E08).

[4]See paragraphs 1401 and 7101 for types of projects to be submitted via FFD and NAVFAC.

[5]See paragraph 2106.C.4.

[6]For electronics, see Chapter 7, Part B.

[7]Activity "operating" or "equipment" funds.

[8]For construction or alteration projects of naval nuclear propulsion support facilities, see paragraph 1405.

[9]For repair or restoration projects of naval nuclear propulsion support facilities, see paragraph 4109.

Shore Activities Project Approval Authority, Page 2

Figure IV-20

Production Facilities at Navy Industrial Fund and Modified Industrial Activities[1,2,5]

Category of Work	Cost Limits $	Project Format	Submission TO	Submission VIA	Approval Authority	Funds Source	Reference Chapter in Manual
1. Maintenance							
(a) Continual	NONE	NONE	NONE		C.O.	Overhead	10
(b) Specific (see Footnote 6)	(1) 0-25,000	NONE	NONE		C.O.	Overhead	10
	(2) Over 25,000	Footnote 10	Footnote 3		Footnote 3	Overhead	10
2. Repairs (see Footnote 6 & 9)	(1) Over 25,000	NONE	NONE		C.O.	Overhead	10
	(2) Over 25,000	Footnote 10	Footnote 3		Footnote 3	Overhead	10
3. Minor Construction (see footnote 8)	Except for funding alterations costing $0-$75,000 from overhead, which is authorized (Chapter 10 of this manual), use same procedures as shown in Table C-1.						
4. Equipment Installation							
Nonconstruction costs (maintenance and repair portion (see 1 and 2 above) Minor construction portion, see 3 above)	(1) 0-25,000	NONE	NONE		C.O.	Overhead	10
	(2) Over 25,000	9-11014/64 11013/7	Footnote 3	Footnote 7	Footnote 3 and 6	See 1, 2, or 3 above	10
5. Restoration of damaged facilities							
(a) Major restoration costs in excess of 50% of complete facility replacement cost (see footnote 9)	NONE	1391, 11013/7 Facility Study	ASN (M, RA & L)	EFD, Major Commander, Support Agency, NAVFAC, CNO NAVCOMPT	ASD (M, RA & L)	CNO(MCON)	2 & 10
(b) Projects qualifying as repair (see Footnote 6)	(1) 0-25,000	NONE	NONE		C.O.	Footnote 4	4 & 10
	(2) Over 25,000	9-11014/64 11013/7	Footnote 3		Footnote 3	Footnote 4	10
(c) Projects qualifying as construction	Same as in Table C-1						
6. Reactivation or deactivation of production facilities	All costs to be borne by designated support agency						

[1]Includes production portion of joint-use facilities.

[2]Projects involving facilities qualifying as military support, or the military support portion of a joint-use facility, shall be processed as shown in Table C-1.

[3]Appropriate chief, commander, or head of command, bureau systems command, or office.

[4]See Chapter 10, para. 10101.C.5.b.

[5]For nonappropriated fund projects, see Chapter 10, Part 2.

[6]Limitation may be established as $50,000 in lieu of $25,000 by the command responsible for management of the activity.

[7]For electronics, see Chapter 7, Part 8.

[8]For construction or alteration projects of naval nuclear propulsion support facilities, see paragraph 3405.

[9]For repair or restoration projects of naval nuclear propulsion support facilities, see paragraph 4109.

[10]Use format 9-11014/64, 11013/7 only for projects funded with O&M,N Funds (see paragraph 7301.B).

NIF Activities Project Approval Authority

Figure IV-21

Reserve Activities[1]

Category of Work	Cost Limits $	Project Format	Submission TO	Submission VIA	Approval Authority	Funds Source	Reference Chapter in Manual
1. Maintenance (a) Continual (b) Specific	Same as in Table C-1						
2. Repair (a) Normal (see footnote 5)	(1) 0-10,000	NONE	NONE		C.O.	Footnote 2	9
	(2) 10,001-100,000	9-11014/64, 2417	MAJOR CLAIMANT		MAJOR CLAIMANT Footnote 4	MAJOR CLAIMANT	9
	(3) 100,001-200,000	2417, 1391	NAVFAC	EFD	ASN (M, RA & L)	MAJOR CLAIMANT	9
	(4) Over 200,000	2417, 1391	NAVFAC	EFD	ASD (M, RA & L)	MAJOR CLAIMANT	9
(b) Repair costing over $50,000 and over 50% of complete facility replacement cost	NONE	2417, 1391	NAVFAC	EFD	ASD (M, RA & L)	MAJOR CLAIMANT	9
3. Minor Construction (see footnote 6)	(1) 0-15,000	NONE	NONE		C.O.	Footnote 2	9
	(2) 15,000-50,000 (a) O&M, NR	9-11014/64 2417	MAJOR CLAIMANT	Footnote 3	MAJOR CLAIMANT	MAJOR CLAIMANT	9
	(3) 50,001-100,000	2417, 1391	CHNAVRES	EFD	CHNAVRES	CNO(MCNR)	9
4. Equipment Installation (a) Non-construction costs	(1) 0-10,000	NONE	NONE		C.O.	Footnote 2	
	(2) Over 10,000	9-11014/64 2417	Support Agency	Footnote 7	Support Agency	Support Agency	
(b) Costs directly related to equipment installation							
1. Maintenance and Repair	Same as Section 1 & 2 above (Footnote 7)						
2. Alterations	Same as Section 3 above except that support agency has funding responsibility (Footnote 7)						
3. New Construction	Same as Section 3 above.						
5. Restoration of Damaged Facilities (see footnote 5)	(1) 0-50,000 Footnote 8	9-11014/64 2417	MAJOR CLAIMANT		MAJOR CLAIMANT	MAJOR CLAIMANT	9
	(2) 50,001-100,000	2417, 1391	CHNAVRES	EFD, CNO	CHNAVRES	CNO(MCNR)	9
	(3) Over 100,000	2417, 1391	NAVFAC	EFD, CNO	ASD (M, RA & L)	CNO(MCNR)	9

[1]For nonappropriated fund projects, see Chapter 10, Part 2.

[2]Activity facilities maintenance funds.

[3]See paragraphs 1401 and 7303 for types of projects to be submitted via EFD and NAVFAC.

[4]Naval Air Reserve activities commanding officers approval limits are:
Repair: $0-25,000

[5]For repair or restoration projects of naval nuclear propulsion support facilities see paragraph 4109

[6]For construction or alteration projects of naval nuclear propulsion support facilities see paragraph 3405.

[7]For electronics, see Chapter 7, Part A.

[8]A major restoration or complete replacement may be funded as minor construction when the funded project cost is not in excess of $50,000 (see Section 3 (1) and (2) (a) above).

Reserve Activities Project Approval Authorities

Figure IV-22

non-hostile situation where military facilities are so vital to national security that they cannot be included in the regular MILCON programs; and the hostile situation where facilities are necessary to support the national interest.

Projects under the non-hostile situation are submitted in accordance with regular MILCON project documentation procedures. Hostile situation projects are submitted directly to the Joint Chiefs of Staff.

f. Project Documentation

(1) Preparation. Specified Locations Minor MILCON (SLMM) projects are prepared in the same format as regular MILCON projects, using DD forms 1391 and 1391c.

Emergency Construction, Major Restoration or Replacement of Damaged Facilities and Minor Construction over $100,000 projects are also prepared in the format of MILCON projects. However, in the case of projects to repair damaged facilities, photographs of the damage are required; and all projects require detailed narrative to support and justify the special consideration of the project.

(2) Certificate of Compliance. Each minor MILCON project must contain a Certificate of Compliance, Figure IV-23, which confirms that the activity Commanding Officer has reviewed the project and found it not to violate incrementation regulations. The statement in the certification is interpreted to mean that there will be no other minor construction or MILCON projects in support of the same specific purpose.

CERTIFICATE OF COMPLIANCE
for
Minor Construction Projects Undertaken Under Authority of
Title 10, United States Code, Section 2674

Military Department or Agency: _____

Installation: _____

Project description, specific purpose, and cost: _____

_____

_____

_____

_____

I certify that the project described above in in compliance with 10 USC 2674 and Department of Defense implementing regulations. Further, the project is essential and represents the minimum requirement for the specific purpose to be supported by the project. I have taken every reasonable action to verify the accuracy of these statements.

Responsible Official:

_____ _____ _____
Name, Position Title Signature Date

I hereby subscribe to the above statements of the responsofficial Approving Officer(s):

Approving Officer(s):

Date_____ Name, Rank, Position Signature

Date_____ Name, Rank, Position Signature

Minor MILCON Project Certificate of Compliance

Figure IV-23

2. Special Projects

a. Background

Navy policy provides for the local Public Works Department to administer the maintenance and repair of real property. The PWD determines the work that must be done, assigns priorities for performance of the work and accomplishes the work. However, the PWD faces limited funds, manpower and capability, and is, therefore, unable to complete all the necessary work.

Significant work projects may be identified as Special Projects, which are submitted to the Major Claimant for funding and approval. The projects, when approved, are generally accomplished under contract prepared either locally or by the NAVFAC EFD.

As noted previously, projects costing less than $100,000 are considered to be Claimant Funded Minor Construction. Funds for these projects are budgeted in the O&M,N and RDT&E appropriations, and are allocated to the Major Claimant. The Major Claimant then allocates the funds for the accomplishment of Special Projects, based on a priority rating system.

Policies and procedures pertaining to Special Projects are contained in OPNAV Instruction 11010.20, the Facilities Projects Manual.

b. Funding Authority

(1) Project Approval. A complete matrix showing project approval authorities is provided as Figures IV-19 through IV-22. The important funding authority dividing line

is between local CO authority and Major Claimant authority. The CO may approve maintenance and repair projects costing less than $25,000, construction projects costing less than $15,000, and equipment installation projects costing less than $10,000. Projects in excess of these amounts must be approved by the Major Claimant.

(2) Navy Industrial Fund Activity Projects. [CECOS, 1979]. Costs of maintenance and repair of the plant at a NIF activity are considered either as overhead in the case of buildings and equipment, or as direct cost in the case of utility distribution systems or facilities used in direct support of production. For continuous maintenance there are usually no dollar limits, and these costs must be recovered from NIF customers as overhead in the rate structure. All maintenance and repair projects costing over $25,000 that are to be funded as an overhead expense must be approved by the head of the cognizant senior command. All alterations to production facilities costing less than $50,000 are charged to overhead, provided the project is necessary to maintain or improve the operating efficiency and to reduce costs of the NIF or modified NIF.

Costs of acquisition and improvement of real property and equipment which meet the criteria for plant property are financed in much the same manner as are those at appropriated fund activities.

(3) Non-Appropriated Fund Projects [CECOS, 1979]. It is Navy policy to provide facilities to accommodate a well

rounded morale, welfare and recreation program. In consonance with this policy, adequate facilities should be provided through appropriated funds. It is a basic responsibility of installation Commanding Officers and support agencies to ensure that proper recognition is given to morale, welfare and recreation facilities in the development of military construction programs. Non-appropriated funds should be used primarily for the refurbishment and internal upkeep of the facilities and equipment, and for the support of command and central welfare and recreation programs. Non-appropriated funds are inadequate to finance the deficit of needed morale, welfare and recreation facilities throughout the Navy establishment. It is recognized, however, that these projects must compete for appropriated funds with facilities having a direct bearing of readiness; and at times the only readily available means of obtaining needed facilities within a reasonable time frame is through non-appropriated funds support. Therefore, some expenditure of non-appropriated funds for the most critical deficiencies is usually possible. Depending upon the nature of the facilities, financing of alteration and construction of recreational facilities may be derived from: local activity or BUPERS Central Recreation Funds, local or BUPERS Commissioned Officers' Mess Funds; Navy Retail System Office Funds; Commissary Store Reserve Funds; Enlisted Clubs Retained Earnings; or Navy Exchange Retained Earnings.

c. Classification of Projects

The procedures for Special Project submittal, administration, approval and funding depend upon the type of work involved in the project. The Special Project classification is derived from the work involved; the four classifications of projects are: construction, repair, maintenance and equipment installation. These classes are defined as follows.

(1) Construction. Construction is the erection, installation, or assembly of a new real property facility; the addition, expansion, extension, alteration, conversion, or replacement of an existing real property facility; or the relocation of a real property facility from one installation to another. Construction includes equipment installed in and made a part of such facilities, and related site preparation, excavation, filling and landscaping, or other land improvements. The terms used in the definition are further defined in OPNAVINST 11010.20.

(2) Repair. Repair is the restoration of a real property facility to such condition that it may be effectively utilized for its designated purposes by overhaul, reprocessing, or replacement of constituent parts or materials that have deteriorated by action of the elements or usage and have not been corrected through maintenance.

Examples of repair projects are: replacement of broken piling, deck or structural elements of a pier

or wharf; roof repair by replacement; and replacing broken pavement or overlaying worn or deteriorated pavement.

(3) Maintenance. Maintenance is the recurring, day-to-day, periodic or scheduled work required to preserve or restore a real property facility to such a condition that it may be effectively utilized for its designated purpose. The term includes work undertaken to prevent damage to a facility that otherwise would be more costly to restore.

It is noted that a clear line cannot always be drawn between maintenance and repair; judgement must be exercised in differentiating between these categories of work. As a general rule, maintenance differs from repair in that maintenance does not involve the replacement of parts of a facility, but constitutes the work done on the parts to prevent or correct wear and tear and thereby forestall replacement.

There are two broad types of maintenance effort; one type readily lends itself to the program covering projects, but the other does not. Specific maintenance is the maintenance of a facility performed on a specific job order basis. This type work recurs over a given cycle, but is not of a continuing nature on a particular facility. The other type, continual maintenance, is maintenance performed on a standing job order or open end contract basis. This work is highly repetitive on a portion of the facility, and extends throughout the year or season. Specific maintenance is the type which lends itself to performance by Special Project.

(4) Equipment Installation. Equipment installation refers to both installed equipment and personal property.

Installed equipment, sometimes called built-in equipment, is accessory equipment and furnishings that are required for operation and are affixed as a part of the real property facility. The equipment is engineered and built into the facility as an integral part of the final design and as an essential part thereof. Equipment of this category is considered part of the real property and is normally taken up under Real Property Class 2.

Personal property, sometimes called plant equipment, or equipment in place, is defined as accessory equipment and furnishings that are movable in nature and not affixed as an integral part of the real property facility. This equipment includes all types of production, processing, technical, training, servicing, and RDT&E equipment. Personal property is usually taken up as Real Property Classes 3 and 4.

d. Policy

(1) Incrementation. No project may be subdivided in order to reduce the cost for purposes of circumventing programming and approval requirements. Each project must result in a complete and usable real property facility or improvement thereto. The planned acquisition of, or improvement to, a real property facility through a series of minor construction projects is prohibited. All construction

requirements in support of a single specific purpose at an installation must be grouped into a single project. Multiple minor construction projects for facilities with different category codes in support of the same specific purpose at the same activity are not allowed.

As a result of investigations which revealed violations of incrementation policies, Congress has placed increased emphasis on prohibiting further abuses. There are legal opportunities for the use of multiple projects which can and should be used; however, activities must ensure that the incrementation rules are not violated [Bell, 1977].

(2) Combined Classification Projects. When construction, equipment installation, repair or maintenance are accomplished simultaneously as an integrated undertaking, each separately defined classification of work may be approved and funded on the basis of each of the separate classifications.

(3) Combined Appropriated and Non-Appropriated Fund Projects. Appropriated funds may not be mixed with non-appropriated funds for the same specific purpose since this practice may be considered an incrementation and subdivision to circumvent statutory limitations. Non-appropriated funds may be used to purchase and install furnishings, equipment or interior finishes for non-appropriated fund activities.

(4) Repair Project Policy. In general, repair projects should be accomplished using material similar to the original. However, if a direct replacement is not available

or if improved materials are available, and if justified by an economic analysis, substitutions may be made. Also, during the course of a project constituent parts (such as utility services) may be increased in size to meet current demand.

When the scope of a repair project exceeds 50 percent of the replacement value of the facility and the cost exceeds $100,000, the project must be approved by ASN (M,RA&L). The facility replacement value is determined from the property record for that facility.

A repair project is defined as a single undertaking of repair necessary to satisfy a finite requirement, which is considered to be all of the repairs essential to maintain serviceability or to prevent significant deterioration of a particular real property facility. When it is considered in the best interest of the Navy to accomplish repairs as a single undertaking, then all work, regardless of type, should be included in a single project.

(5) Maintenance Project Policy. In view of the limited appropriations for maintenance and operations and the continuing increase in the plant value of shore facilities, greater emphasis must be placed on the early detection of deficiencies and prompt remedial action to prevent larger and more costly repairs or deterioration and damage that may ultimately result in replacement. Accordingly, maximum use of local maintenance funds should be made for this purpose.

As a general rule, real property facilities that are not required to meet the authorized Shore Activity Basic Facility Requirements list should not be maintained and should be disposed of as excess to the needs of the activity.

Real property facilities scheduled for replacement in the MILCON programs should be maintained only to the degree necessary to meet the projected need for the facilities pending completion of replacement facilities. The facilities should then be declared excess and disposed of.

Submission of maintenance work as a Special Project should be the exception rather than the rule. Only in unusual cases should Special Projects for maintenance be submitted; the following cases are appropriate for maintenance project submittal: when the project proposes major specific maintenance work that is beyond resources normally available for recurring continual maintenance work; or when the work must be accomplished in a single undertaking and completed as rapidly as possible in order to retain the facility in operational status.

(6) Air Conditioning. Because of the high energy usage and the greater than normal maintenance expense associated with air conditioning, DOD has promulgated instructions which restrict the use of air conditioning at all DOD facilities. These restrictions apply to all projects regardless of fund source or funding levels. Instructions are contained in DOD Construction Criteria Manual 4270.1, and are reproduced in OPNAVINST 11010.20.

3. Special Project Submittal

a. Background

Special Projects are developed at the activity by the PWD (generally), documented on specific formats, and forwarded to the Major Claimant for funding. The Major Claimant faces the problem of too few dollars for too many projects. For this reason, the activity must submit only valid projects; and, if it expects to receive funding, must thoroughly justify the requirement and urgency of the project. The following procedure has been established for Special Project submittal; detailed instructions are contained in OPNAVINST 11010.20.

b. Policy

Special Projects are submitted in two steps: the first step submission identifies the requirement and provides an approximate estimate of cost; the second step submission, made when funding appears likely, includes the engineering and detailed cost data necessary to define and justify work to be done.

The two-step procedure is used only for projects which are funded from O&M,N or RDT&E appropriations. It is not required for projects that are funded from overhead at Navy Industrial Fund or Modified Industrial activities, or for projects in specific programs such as pollution abatement.

c. Step One Submission

The Step One submission is a relatively simple document which informs the Major Claimant of the need for

the project, and provides a general scope of work and cost estimate. The Major Claimant uses the Step One, along with the activity's Annual Inspection Summary and Special Project Summary List, to determine which projects are to be funded within the current fiscal year.

The Step One Special Project is submitted--using NAVFAC Form 11014/64A, a copy of which is provided as Figure IV-24--to the Major Claimant, with copies to the cognizant EFD and others in the chain of command. Special procedures applicable to Chief of Naval Material activities are discussed in OPNAVINST 11010.20.

d. Step Two Submission

When informed by the Major Claimant that the project is programmed for funding, the activity prepares the Step Two Special Project submission using NAVFAC Form 11014/64, a copy of which is provided as Figures IV-25 and IV-26. The Step Two is an expanded version of the Step One containing more detailed information, and if appropriate, accompanied by photographs, location maps and sketches or drawings. A cost estimate, prepared on NAVFAC Form 11013/7, Figure IV-27, must accompany the Step Two. The PWO must sign the submission to certify correctness.

If the necessary engineering disciplines are not available at the activity, the project may be forwarded via the cognizant EFD for technical review and certification. The need for providing justification of each Special Project write-up cannot be too strongly stressed. Increasing emphasis

SPECIAL PROJECT REQUEST *(INTERIM)*
NAVFAC 11014/64A (6-74)
S/N 0105-LF-003-4238

STEP ONE SUBMISSION

PART I - SUBMISSION

1 FROM *(Activity name and location)* | 2 ACTIVITY NO

3 TO

4 PROJECT NO | TITLE

5 TYPE
a ☐ MAINT /REPAIR b ☐ MINOR CONSTRUCTION/ ALTERATION c ☐ AIR CONDITIONING d ☐ EQUIPMENT INSTALLATION

6 DESCRIPTION AND FUNCTION OF FACILITY | a. PROPERTY RECORD CARD NO | b. NAVY CATEGORY CODE | c. BLDG OR STRUCTURE NO

7 THE REQUIREMENT FOR THE FACILITY IS BASED ON
a ☐ A CHANGE IN MISSION b ☐ FULL TIME CONTINUING NEED c ☐ 3 TO 5 YEAR NEED d ☐ LESS THAN 3 YEARS NEED e ☐ CURRENTLY REQUIRED LESS THAN 50% OF TIME f ☐ RESERVED FOR FUTURE REQUIREMENTS

8 ESTIMATED PROJECT COST
$ _____

9 ESTIMATED PLANNING COST
$ _____

10 DESCRIPTION OF CONDITION TO BE CORRECTED OR PROBLEM TO BE SOLVED WITH PROPOSED SOLUTION *(Attach additional description if necessary) (USE PAGE ONLY*

11 CAN PROJECT BE FUNDED IN PHASES? *(How How many)*
☐ YES ☐ NO

12 SIGNATURE OF OFFICIAL WHO CAN CERTIFY THAT THE DATA PROVIDED IS VALID | TITLE | DATE

PART II - MAJOR CLAIMANT ACTION

1 FROM *(Major claimant)*

2 TO *(Activity name and location)*

3 ACTION TO BE TAKEN
a ☐ APPROVED FOR SECOND STEP SUBMISSION AND CONSIDERATION FOR FUNDING IN FY _____ OR FY _____.
b ☐ DEFERRED PENDING FURTHER STUDY RECOMMEND UPDATE AND RESUBMISSION IN _____ MONTHS
c ☐ OTHER _____

SIGNATURE OF APPROVING OFFICIAL | TITLE | DATE

*NOT applicable to Minor Construction Alterations or Equipment Installation

Special Projects Request Form, NAVFAC 11014/64A

Figure IV-24

SPECIAL PROJECT REQUEST
NAVFAC 11014/64 (REV. 8-74)
Supersedes NAVFAC 9-11014/44 (11-AA)
S/N 0105-LF-003-4730

Sheet 1 of 2

STEP TWO SUBMISSION

1 ACTIVITY SNOL NO | ACTIVITY NAME AND LOCATION | DATE SUBMITTED

2 PROJECT NO. | TITLE

3 TYPE
a ☐ MAINT./REPAIR b ☐ MINOR CONSTRUCTION/ ALTERATION c ☐ AIR CONDITIONING ☐ EQUIPMENT INSTALLATION

4. DESCRIBE AND STATE FUNCTION OF FACILITY

a PROPERTY RECORD CARD NO

b NAVY CATEGORY CODE

c BLDG. OR STRUCTURE NO

5 WHAT IS THE EFFECT OF THIS PROJECT ON THE MISSION OF THE ACTIVITY?

6 THE REQUIREMENT FOR THE FACILITY IS BASED ON
a ☐ A CHANGE IN MISSION b ☐ FULL TIME CONTINUING NEED c ☐ 3 TO 8 YEAR NEED d ☐ LESS THAN 3 YEARS NEED e ☐ CURRENTLY REQUIRED LESS THAN 50% OF TIME f ☐ RESERVED FOR FUTURE REQUIREMENTS

7a EST FUNDED COST | b EST PROJECT COST | c EST PLANNING COST | d TOTAL FUNDS REQUESTED | e EST FACIL REPL COST
$ | $ | $ | $ | $

8 DATE FACILITY CONSTRUCTED

9 IS FACILITY ON AN APPROVED BASIC FACILITY REQUIREMENTS LIST? *If "YES" how was need determined*
☐ YES ☐ NO

10 IS PROJECT LISTED ON ANNUAL INSPECTION SUMMARY? *If answer is "YES" and "YES" is applicable explain exclusion*
☐ YES ☐ NO ☐ N A

11 DESCRIBE CONDITION TO BE CORRECTED OR PROBLEM TO BE SOLVED WITH PROPOSED SOLUTION *Attach additional description if necessary (DO Part II ONLY)*

12 WHY IS THE PROPOSED SOLUTION BEST AND WHAT ALTERNATIVES WERE CONSIDERED?

13 WERE ANY NON NAVY EXPERTS INVITED TO REVIEW THIS PROBLEM AND THIS SOLUTION? *Explain effective medium*
a ☐ YES b ☐ NO

14 HAS EFD DESIGN DIVISION REVIEWED SOLUTION? a ☐ YES b ☐ NO

15 CAN ANOTHER FACILITY BE ECONOMICALLY ADAPTED FOR THIS FUNCTION? a ☐ YES b ☐ NO

16 CAN PROJECT BE FUNDED IN PHASES? *How? How many?*
a. ☐ YES b ☐ NO

17 THIS PROJECT IS THE RESULT OF
a ☐ INADEQUATE MAINTENANCE b ☐ FACILITY AGE c ☐ DEFICIENT CONSTR d ☐ DEFICIENT DESIGN e ☐ OTHER _____

18 HAS THIS SPECIFIC PROBLEM BEEN CORRECTED PREVIOUSLY?
a ☐ YES b ☐ NO *When?*

HOW LONG WILL PROPOSED CORRECTIVE ACTION LAST? _____ YEARS

(P 61)

Special Projects Request Form, NAVFAC 11014/64

Figure IV-25

18. ARE COMPONENTS BEING INCREASED IN SIZE OR CAPACITY? *Explain the difference, including cost*

a. ☐ YES b. ☐ NO

20. ARE MATERIALS PROPOSED FOR USE THE SAME AS THOSE EXISTING? *If "NO", explain the difference, including cost*

a. ☐ YES b. ☐ NO

21. PROJECT IS PLANNED TO BE ACCOMPLISHED BY

a. ☐ STATION LABOR b. ☐ CONTRACT

22. HAS A PROJECT EVER BEEN SUBMITTED FOR THE REPLACEMENT OF THIS OR SIMILAR FACILITIES? *Check and explain if "YES"*

a. ☐ YES b. ☐ NO *When?*

23. ANTICIPATED SAVINGS IF PROJECT IS DONE THIS YEAR AS COMPARED TO A DEFERRAL OF ONE YEAR

PROBABLE INCREASE IN PROJECT COST FOR ANY JUSTIFIABLE REASON	REDUCTION IN CURRENT MAINT. COST	REDUCTION IN CURRENT OPERATIONS COST
$	$	$

JUSTIFY ANY SAVINGS INDICATED

WHAT IS PAY BACK PERIOD OF PROJECT? *In years*

WILL ACCOMPLISHMENT GENERATE REQUIREMENTS FOR ADDITIONAL M&O FUNDS OR PERSONNEL? a. ☐ NO b. ☐ YES *Est. Amt*

24. WHAT WOULD BE THE EFFECT OF DEFERRING THE PROJECT ONE YEAR?

*25. IF THE PROJECT IS NOT ACCOMPLISHED NOW, IN HOW MANY YEARS WILL THERE BE SERIOUS DAMAGE TO THE FACILITY AND/OR ITS CONTENTS OR IMPAIRMENT TO ESSENTIAL OPERATIONS? *Explain, include loss value to facility and/or contents*

YEARS BEFORE SERIOUS DAMAGE OCCURS _____

*26. HAS THE REDUCED UTILIZATION OF THIS SPECIFIC FACILITY AFFECTED A LARGE FACILITY SYSTEM OPERATION? *Explain*

a. ☐ YES b. ☐ NO BY HOW MUCH? _____%

27. ARE THERE ANY OTHER FACTORS INVOLVED? *Check and explain*

a. ☐ MORALE b. ☐ HEALTH c. ☐ PUBLIC RELATIONS d. ☐ SAFETY e. ☐ FIRE PROTECTION f. ☐ SECURITY g. ☐ OTHER

28. CERTIFICATION BY RESPONSIBLE OFFICER AT ACTIVITY I am personally cognizant of the need for, the essentiality of, and the proposed method of accomplishment of this project and certify that the above information is correct, and that this project meets all criteria specified in OPNAVINST 11010.20 and subsequent changes thereto

SIGNATURE	TITLE	DATE

29. EFD TECHNICAL VALIDATION *(if required) (see para 7301 OPNAVINST 11010.20C)*

SIGNATURE	TITLE	DATE

ENCLOSURES

a. ☐ ENGINEERING EST *(NAVFAC 2417)* b. ☐ LOCATION PLAN(S) c. ☐ DRAWINGS d. ☐ PHOTOGRAPHS

**NOT applicable to Minor Construction, Alterations, or Equipment Installation*

NAVFAC 11014/64 (REV. 8-74)
Sheet 2 of 2

S/N 0108-LF-003-4230

Special Projects Request Form, NAVFAC 11014/64

Figure IV-26

COST ESTIMATE

DATE PREPARED: 6 March 1978

SHEET 1 OF 1

ACTIVITY AND LOCATION: WPNSTA Charleston, SC

CONSTRUCTION CONTRACT NO:

IDENTIFICATION NUMBER: R1-76

ESTIMATED BY: O. Smith

CATEGORY CODE NUMBER: 151-20

PROJECT TITLE: Repairs to Pier "C"

STATUS OF DESIGN: [X] PED [ ] 35% [ ] 100% [ ] FINAL [ ] Other (Specify) _____

JOB ORDER NUMBER: -

ITEM DESCRIPTION	QUANTITY NUMBER	QUANTITY UNIT	MATERIAL COST UNIT COST	MATERIAL COST TOTAL	LABOR COST UNIT COST	LABOR COST TOTAL	ENGINEERING ESTIMATE UNIT COST	ENGINEERING ESTIMATE TOTAL
Mobilization		LS				$ 3,000	LS	$ 3,000
Remove damaged fender	186	LF			20	3,720	20	3,720
Replace piling	2960	LF	8	$ 23,680	5	14,800	13	38,480
Reconnect existing chock	1	EA				40		40
New chock, wale & block	750	LF	10	7,500	12	9,000	22	16,500
Repair concrete pile	1	EA		1,500		2,500		4,000
Totals				$ 32,680		$ 33,060		$ 65,740
A&E								4,000

SAMPLE

Cost Estimating Form, NAVFAC 11013/7

Figure IV-27

is being placed upon cost avoidance and budgets oriented to the military mission. Therefore, each project should be thoroughly evaluated on the basis of its contribution to the support of the activity military mission, conformance with the SFPS, and the economic need for any given repair or non-recurring maintenance project. The validity of the need for the proposed repair or maintenance project should be substantiated by the provision of specific cost data. An "impact if not provided" statement in most cases should be included in the justification [CECOS, 1979].

e. Special Project Summary List

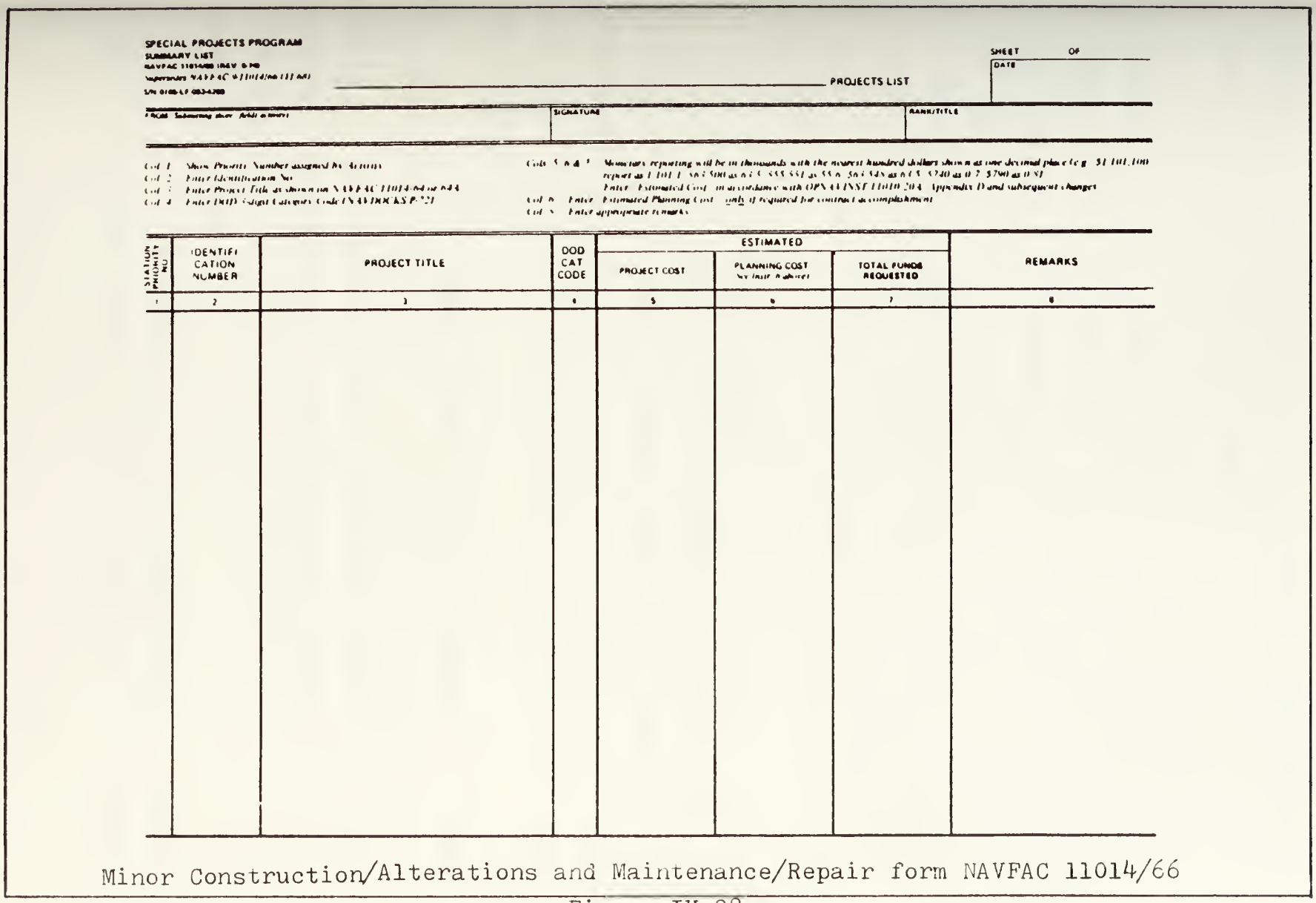
The Summary List is a listing of currently required Step One and Step Two unfunded Special Projects. For all projects other than pollution abatement, separate lists are prepared by the activity for: minor construction/alteration; maintenance and repair; and equipment installation. For pollution abatement projects, in lieu of Summary Lists, the appropriate OMB Pollution Control Report is used to identify requirements for the next fiscal year. The Summary List is prepared on NAVFAC Form 11014/66, Figure IV-28.

The Summary Lists are submitted to the Major Claimant, with copies to the EFD, by 15 April each year.

4. Project Accomplishment

a. General Policy

It is DOD policy that construction, repair, maintenance and operation of real property will be accomplished



SPECIAL PROJECTS PROGRAM
SUMMARY LIST
NAVFAC 11014/66 (REV. 8-70)
Supersedes NAVFAC 9-11014/66 (11-68)
S/N 0108-LF-003-4700

PROJECTS LIST

SHEET OF
DATE

FROM (Submitting officer - Activity or Area)

SIGNATURE

RANK/TITLE

Col. 1 Show Priority Number assigned by Activity
Col. 2 Enter Identification No.
Col. 3 Enter Project Title as shown on NAVFAC 11014/64 or 644
Col. 4 Enter DOD Project Category Code (NAVDOCKS P-72)

Cols. 5 & 6 Amounts requesting will be in thousands with the nearest hundred dollars shown as one decimal place (e.g. $1,101,100 request as 1,101.1; $65,500 as 65.5; $55,551 as 55.6; $61,450 as 61.5; $740 as 0.7; $700 as 0.7)
Enter Estimated Cost (in accordance with OPNAVINST 11010.20A Appendix D and subsequent changes)
Col. 6 Enter Estimated Planning Cost (only if required for contract accomplishment)
Col. 8 Enter appropriate remarks

STATION PRIORITY NO	IDENTIFICATION NUMBER	PROJECT TITLE	DOD CAT CODE	ESTIMATED			REMARKS
				PROJECT COST	PLANNING COST (If Not Included)	TOTAL FUNDS REQUESTED	
1	2	3	4	5	6	7	8

Minor Construction/Alterations and Maintenance/Repair form NAVFAC 11014/66

Figure IV-28

through the most economic means available, consistent with military and statutory requirements.

It is the general policy of the Navy that, in the United States, Special Projects shall be performed by contract to the maximum degree feasible. Use of civil service and military personnel not assigned to military construction units is governed by DODINST 1135.2. Use of personnel assigned to Navy Mobile Construction Battalions is governed by OPNAVINST 5450.46; and use of personnel assigned to Navy Construction Battalion Units is governed by OPNAVINST 5450.188.

b. Self Help Program

In order to improve retention of career Navy personnel, it has been determined that the habitability of unaccompanied personnel housing must be enhanced, and that personnel support, welfare and recreational facilities must be improved.

The intent of the Self Help program is to help in resolving these needs by using military construction units and military personnel other than organized military construction units for the provision of services for maintenance, repair, alterations and new construction of real property in the DOD.

In accordance with this general policy, OPNAVINST 11000.8 has been issued to provide additional policy guidance

MARTIN GIUFFRE

"... shovel, Jim Kenney; pick, Phil Pacony; sledgehammer, Ed Harkins---"
(Bailey, 1975)

and to prescribe responsibilities for the development and execution of local self help programs.

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CHAPTER V

MAINTENANCE MANAGEMENT SYSTEM

A. REAL PROPERTY MAINTENANCE ACTIVITIES---------- 348

1. Introduction---------- 348

2. Concept---------- 348

3. Funding---------- 349

a. Historical Background---------- 349

b. Planning, Programming and Budgeting---------- 350

c. The Process---------- 351

B. RESPONSIBILITIES---------- 352

1. Chief of Naval Operations---------- 352

2. Major Claimants---------- 353

3. Naval Facilities Engineering Command---------- 354

a. Single Executive Period---------- 354

b. Present Functions---------- 354

4. Activity Public Works Department---------- 355

C. THE MAINTENANCE MANAGEMENT SYSTEM---------- 355

1. Background---------- 355

2. System Design---------- 356

3. Organization---------- 356

4. Elements of the System---------- 357

5. Work Generation---------- 358

a. Definition---------- 358

b. Shore Facilities Inspection System---------- 358

c. Customer Requests---------- 362

d. Command Inspections----------364
6. Work Classification----------364
a. Work Reception----------364
b. Screening----------365
c. Categories of Work----------366
d. Approval----------368
e. Decision Making----------369
f. Maintaining Job Status----------372
7. Planning and Estimating----------374
a. General----------374
b. The Process----------375
c. Estimating----------376
8. Scheduling----------376
a. General----------376
b. Shop Load Plan----------379
c. Shop Schedule----------383
d. Unfunded Work----------389
9. Accomplishment----------389
D. PUBLIC WORKS SUPPORT SYSTEM----------389
1. Background----------389
2. System Modules----------391
a. Emergency/Service----------391
b. Shore Facilities Inspection----------392
c. Housing----------393
d. Transportation----------393
e. Utilities----------394
f. Work Planning and Status----------394
g. Facilities Engineering Job Estimating---------394

h. Work Input Control---------- 394
i. Management Analysis---------- 395
E. REPORTS---------- 395
1. Introduction---------- 395
2. Source Documents---------- 396
3. Tabulated Report A---------- 396
4. Tabulated Report B---------- 396
5. Report on Variation on Completed Job Orders------ 398
6. Maintenance/Utilities Labor Control Report------- 398
7. Maintenance Cost Report---------- 400
8. Fund Status Report---------- 400
9. Annual Inspection Summary---------- 400
a. Purpose and Use---------- 400
b. Investment Categories---------- 402
c. Content---------- 402
d. Non-Deferrable Maintenance and Repair--------- 402
e. Format---------- 404
F. MAINTENANCE BY CONTRACT---------- 405
1. Commercial/Industrial Activities Review---------- 405
a. Policy---------- 405
b. Review of Functions---------- 406
c. Firm Bid/Offer Procedure---------- 406
d. Problems---------- 407
2. Construction Contracts---------- 407
3. Maintenance Service Contracts---------- 407
a. Use---------- 407
b. Administration---------- 408

c. Problem Areas---------- 408

4. Base Operating Support Services Contracts------- 409

G. MAINTENANCE DEBATE---------- 409

APPENDIX A: Program Objectives for the Maintenance and Repair of Real Property---------- 411

APPENDIX B: Type A Annual Inspection Summary---------- 415

APPENDIX C: Maintenance Service Contracting---------- 419

APPENDIX D: Maintenance and Maintenance Management (4 Articles)---------- 423

BIBLIOGRAPHY FOR CHAPTER V---------- 436

SUGGESTED REFERENCES---------- 437

V. MAINTENANCE MANAGEMENT SYSTEM

A. REAL PROPERTY MAINTENANCE ACTIVITIES

1. Introduction

During 1975 more money was spent to repair foreign object damage to jet engines at Naval Air Station, Miramar, than was needed to repair the spalled runways which caused the damage. Since 1974 the Navy has invested over $322 million to construct new hospitals, but has been unable to adequately maintain either new or old facilities [Jortberg, 1979]. As these two examples indicate, one of the major problems facing the Navy, as well as the other services, is the maintenance of the shore establishment.

2. Concept

Real Property Maintenance Activities (RPMA) is a DOD term used to describe the management and engineering functions related to shore facilities maintenance. The four functions which comprise the RPMA program are: maintenance and repair (functional category M); utilities operations (functional category N); engineering support (functional category P); and minor construction (functional category R).

The DOD RPMA area has been a particular concern of the Congress for many years because of their fear that maintenance of facilities is being neglected in favor of complete replacement of those facilities by military construction. The Congressional concern is reflected in the stringent

controls placed on DOD real property maintenance funding and management.

The management concept for RPMA recognizes the interrelationship of its four functions; since the total amount of RPMA funds is limited, an increase in one area requires a reduction in another function. This relationship becomes very important during a period of rising utility rates when expenditures in other functions must be reduced. Since utility and engineering support costs must be met, there is a tendency to forego maintenance and repair if funds are short. For this reason, the focus of management effort is on maintenance and repair, and minor construction.

3. Funding

a. Historical Background [Jortberg, 1979]

Congress has taken a continuing interest in facility maintenance, expressing concern that operations, whether essential or not, were being financed at the expense of facility maintenance. In 1963, a "maintenance floor" was first placed in the DOD O&M appropriation; this floor was a minimum amount which was to be spent on Maintenance of Real Property (MRP) functions--minor construction, recurring maintenance and BEMAR[7] reduction. It is noted that the Navy has usually funded MRP in excess of the floor by "migrating"

[7]The Backlog of Essential Maintenance and Repair (BEMAR) has been the measure of effectiveness used to gauge the results of the DOD facility maintenance program. The BEMAR consisted of all real property repair projects in excess of $10,000, which could not be accomplished with current fiscal year funds.

funds from other areas. In the House Appropriations Committee (HAC) report on the fiscal year 1979 Military Construction Bill, the HAC reemphasized its concern over DOD's failure to reduce the BEMAR (despite increased Congressional funding) and the continued reprogramming of DOD MRP funds into operational activities. The HAC went beyond the restriction of the MRP floor by stating that Military Construction (MILCON) should compete with MRP for funds, and recommended reducing the MILCON appropriation by $26 million, in order to force maintenance of existing facilities rather than replacing those which had been allowed to deteriorate.

b. Planning, Programming and Budgeting

In the mid-1970s, with the maintenance backlog growing, Navy facility managers on the CNO staff realized the need for added emphasis on MRP. At the heart of the MRP problem was the fact that the MRP requirements were addressed only in the budget process and not in the programming process of the planning, programming and budgeting cycle. If funds were not programmed in the Five Year Defense Plan (FYDP), there was no chance of an increase in the budget; thus a valid justification during the programming cycle was needed. In order to achieve the desired reduction of the backlog, sufficient funds must be programmed not only to reduce the BEMAR, but also to keep up with current maintenance requirements and thus avoid a marginal increase in BEMAR.

During the programming process, the distribution of resources among the program elements of the ten defense

programs of the FYDP is determined. The Secretary of Defense bases this distribution on Program Objectives Memoranda (POM) which are prepared by each service and which present that service's plan for complying with SECDEF resource guidance. The BEMAR could be reduced only by convincing the Navy decision makers to increase MRP funds during the POM process. The method developed in 1975 and first used in the FY 1978 POM cycle involved dividing the BEMAR into parts (called Investment Categories) and relating the funding level to its impact on operations within each part.

c. The Process

The basic input to the revised MRP funding process is the Annual Inspection Summary (AIS), a document which is prepared annually by each activity. The AIS is a listing by investment category of all essential facility maintenance and repair projects which cannot be accomplished within current fiscal year funds. The Major Claimants then compile the AISs from their activities to prepare an evaluation of the condition of the facilities under their cognizance, and a statement of the impact of that condition upon mission performance. The AIS and the evaluations are divided into 18 Investment Categories (IC), which are groupings of similar facilities with related mission contribution (for example, IC 01, Aviation Operational Facilities; or IC 05, Training Facilities).

During the POM cycle, CNO (OP-44) prepares a summary of MRP requirements for each IC. The summaries

include an assessment of all facilities within the IC, a statement of mission impact, recommended program objective, and a statement of resources needed to meet the objective. The recommendations are reviewed by the Shore Facilities Programming Board, which also reviews the MILCON program, and which includes representatives of all Major Claimants; and then are approved by CNO. The final plans become the principal inputs to the MRP portion of an annual Real Property Issue in the POM process. The objectives for each IC are published annually in OPNAVINST 11010.23; an example of a set of annual goals is provided as Appendix A. The IC goals are later used by the Major Claimant to allocate appropriated MRP resources to activities.

B. RESPONSIBILITIES

1. Chief of Naval Operations

During the preparation of annual POMs, CNO(OP-44) prepares comprehensive reviews of RPMA resource requirements for O&M,N, O&M,NR, and RDT&E appropriations and for NIF activities. The reviews include an assessment by investment category (IC) of the condition of the facilities, a statement of the potential for impact on Navy readiness, recommended CNO program objectives, and identification of the resources required to achieve the proposed objective.

Incident to resource allocation decisions during the POM review, the CNO approves program objectives for the FYDP period and provides them to Major Claimants as guidance in the preparation of annual RPMA budget requests.

(Booth, 1975)

CNO(OP-92) allocates resources to Major Claimants, with consideration of the approved RPMA program objectives.

2. Major Claimants

Based upon information derived from their activities' Annual Inspection Summaries (AIS), claimants submit to CNO (OP-44) an assessment of the condition of the facilities under their cognizance and an evaluation of the mission impact of that condition. The submission includes an estimate of the maintenance backlog for each investment category.

Major Claimants develop annual budget requests for RPMA with consideration of the CNO program objectives, and allocate appropriated resources to their activities. Claimants also provide guidance to assist subordinate activities in decisions concerning real property maintenance.

3. Naval Facilities Engineering Command

a. Single Executive Period

Based in part on the fact that the BEMAR equalled about four times the target percentage of current plant value, in 1963 the Secretary of the Navy designated the Bureau of Yards and Docks (now NAVFAC) as the single executive for the maintenance of real property, with full responsibility for the program, including funding. Having the advantage of a Navy-wide viewpoint of Navy real property funding needs, NAVFAC/BUDOCKS was able to develop procedures to allocate funds where most needed; as a result, the BEMAR growth stopped during the single executive period.

With the advent of Project PRIME in 1967, CNO assumed the functions of the single executive, with NAVFAC providing expert advice and assistance in facility matters. Funding and management now follow the same lines as command; funds are provided in a single operations and maintenance budget.

b. Present Functions

NAVFAC is responsible for providing advice and assistance regarding maintenance of grounds, buildings and structures; establishing standards and procedures for specialized administrative and technical functions; and for providing real property related administrative and technical services.

NAVFAC provides facilities management and engineering assistance to CNO, Major Claimants, and activities in implementing the RPMA programs.

4. Activity Public Works Department

Shore facilities operation and maintenance are Command responsibilities. Authority is delegated by the CO to the PWO to execute these responsibilities. The Public Works Department is the shore facility organizational component designated to provide field activity operation and maintenance support.

C. THE MAINTENANCE MANAGEMENT SYSTEM

1. Background

It is assumed that Man has always been aware that some effort must be made to preserve scarce assets. This awareness was intensified by the rapid growth of technology and industrialization following World War II. Facility maintenance costs and processes became a concern during the early 1960s--perhaps as buildings and equipment acquired during WW II began to deteriorate. This concern led to development of the Navy maintenance management system, which is a set of standard operating procedures for maintenance of Navy and Marine Corps shore facilities world-wide.

One definition of maintenance used in the Navy is "what is done to keep facilities from wearing out, falling apart, or breaking down--preservation'; and repair is "what is done when maintenance is ineffective--restoration" [CECOS, 1979]. Both categories of work are included in the maintenance management system.

The primary goal of the Navy maintenance management program is to maintain and repair, in the most cost effective manner, all active real property to a standard which will permit continued use for designated purposes. In turn, the objective of the maintenance management system has been defined as the optimum use of available manpower, equipment, materials and money. The following more specific subgoals have been defined: perform scheduled, rather than breakdown, maintenance; assure that shore facilities meet their functional requirements; provide control over maintenance work performance; avoid over or under maintenance; correlate work force capacity with workload; determine cost estimates for comparison with actual costs; and alert management to potential problem areas.

2. System Design

A standard maintenance management system is used as a model for all Public Works Departments; however, the application of the system elements and the organization of the department varies depending on activity mission, size, location and other factors.

The basic elements of the system are defined in NAVFAC MO-321, Maintenance Management of Shore Facilities. The facility inspection program is detailed in NAVFAC MO-322, Inspection of Shore Facilities.

3. Organization

The basic PWD organization is discussed in Chapter I, and the functions and responsibilities of each PWD division are discussed therein.

The key relationship that must be maintained within the PWD is the separation of the Maintenance Control Division (MCD) from the Shops Divisions--of the "planners" from the "doers." This separation provides the vital roles of planning and control and of checks and balances. The MCD plans the work and establishes performance standards; the shops perform the work and report actual time and costs; then action is taken to resolve differences between planned and actual results.

The organization chart of the Maintenance Control Division is provided as Figure V-1.

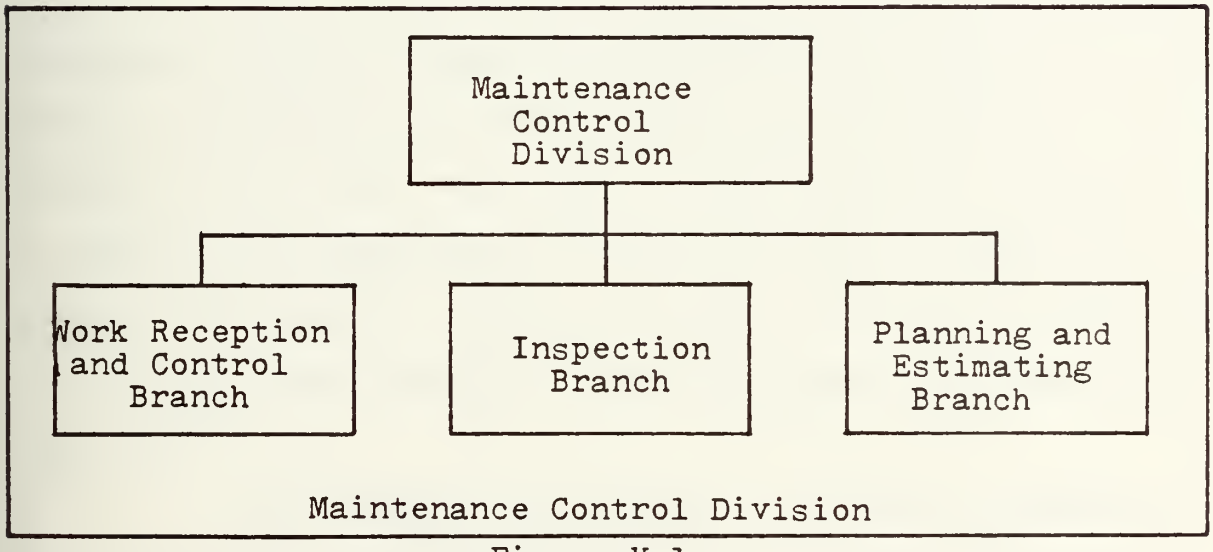


Figure V-1

4. Elements of the System

The maintenance management system is composed of five subsystems: work generation, work classification, planning and estimating, scheduling, and management analysis.

A flow chart of maintenance management system functions is provided as Figure V-2.

5. Work Generation

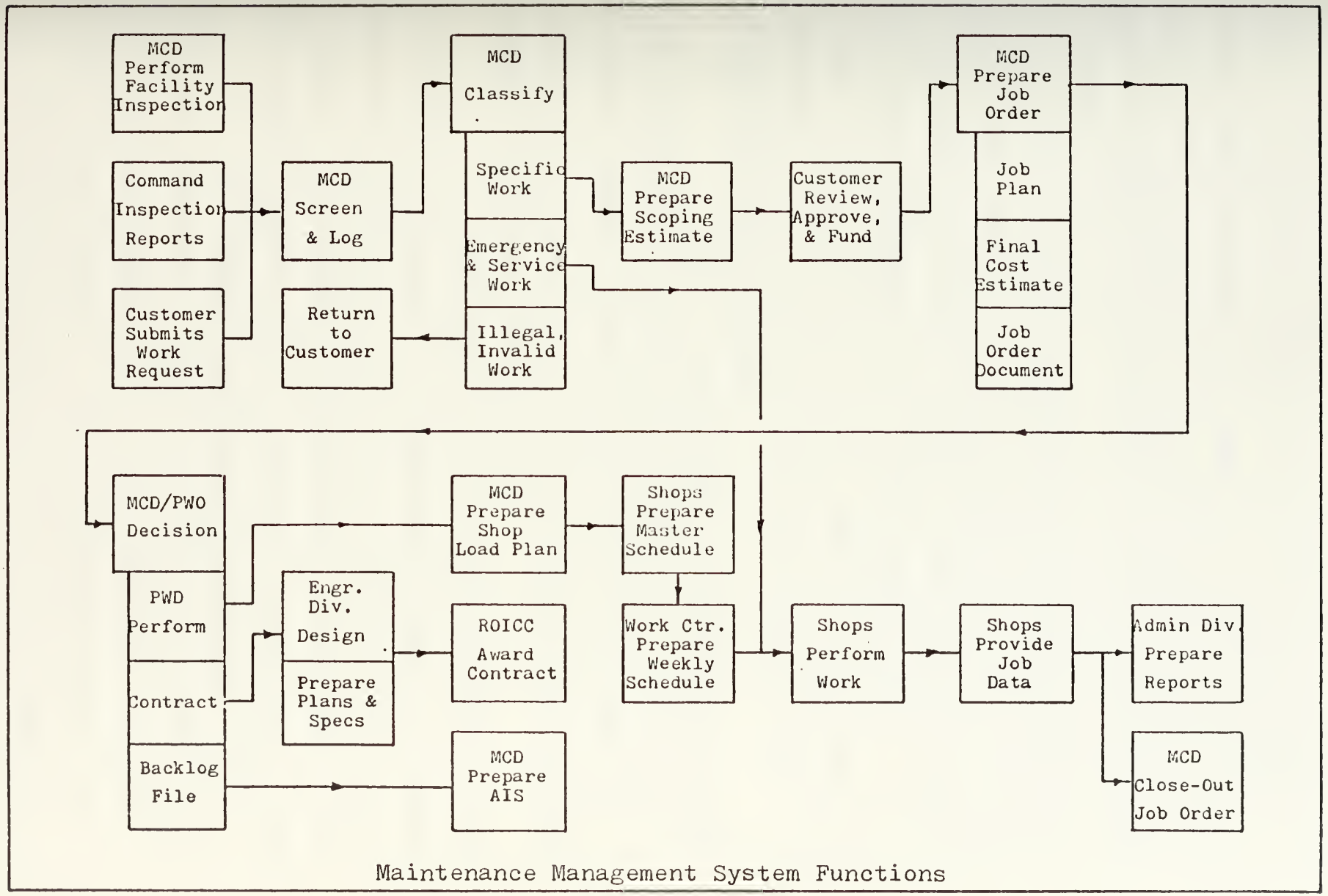
a. Definition

Work generation is the process of identifying maintenance or repair work requirements and reporting those requirements to the PWD. The primary method of identification is through the shore facilities inspection system; other methods are by customer report or request, and inspections conducted by the Command or outside specialists.

b. The Shore Facilities Inspection System

(1) Types of Inspections. The Shore Facilities Inspection System is composed of three types of inspections: control inspections, preventive maintenance inspections and operator inspections. The idea of this inspection system is to identify the maintenance needs while they are relatively minor so that repairs may be made before deterioration extends to the degree that mission or mission support functions are impaired.

(2) Control Inspections. A control inspection is a scheduled examination of facilities by PWD inspectors to determine the physical condition with respect to uniform maintenance standards. The objectives of control inspections are: to provide for periodic examination of all items of shore facilities not covered by operator inspection or PMI; to monitor adequacy of operator inspection and PMI; to obtain a reduction in the number of breakdowns and the cost of



Maintenance Management System Functions

Figure V-2

repairs; to provide a constant backlog of work in order to permit orderly planning and scheduling of work; to detect and reduce over-maintenance; to classify defects according to degree of hazard; and to serve as a basis for certification of safety.

Control inspection is performed by personnel assigned to the Inspection Branch of the MCD or by others at the request of the MCD. Control inspectors do not make adjustments on equipment, but report deficiencies to the manager of the Inspection Branch. Breakdowns are reported immediately to the cognizant supervisor, or to the Work Reception and Control Branch.

Control inspections are divided into structural, mechanical and electrical inspections. A typical inspection report is illustrated in Figure V-3. Detailed guidance on the operation of the Shore Facilities Inspection System is contained in NAVFAC MO-322.

Successful operation of a continuous inspection system is dependent in large measure upon an up-to-date inventory of facilities, and the use of uniform maintenance standards. The inventory of facilities is contained on the Real Property Records, and is summarized in the NAVFAC P-164.

(3) Preventive Maintenance Inspection (PMI). PMI is the examination, lubrication, minor adjustment and/or minor repair of equipment and systems for which a specific operator is not assigned. PMI is concerned primarily with items that if disabled, would interfere with an essential

INSPECTOR'S REPORT
NAVFAC 11013/58 (REV. 9-72)
N 0105-0L3-7002

Instructions for completing form are contained in NAVFAC MO-322, Vol. I

☐ DEIS ☒ CONTROL INSPECTION

1	2	3	4	5	6	7	8	9
PROJECT NO.	ACCOUNT NO.	SERIAL NO.	BASE CODE	SUB-ACCT. NO.	FCCC	DATE SCHED 4-77 ACT 4-19-77	INITIAL	DATE
2	7160	4	61010		A		8k	4.25

9 DESCRIPTION AND LOCATION
Admin Bldg Security

10 INSPECTOR
H.E. SNOOPS

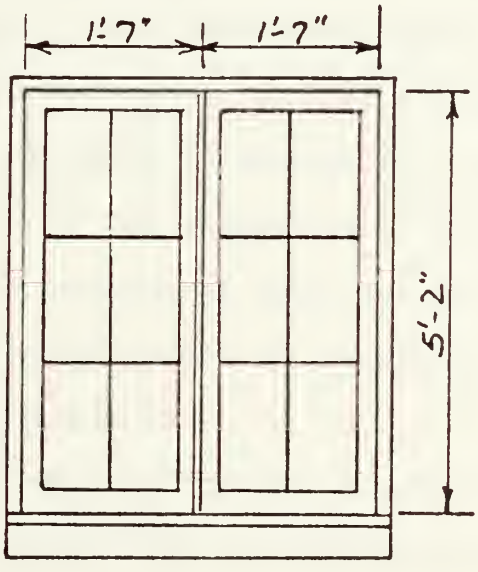
11 INSPECTION TIME USED
3 1/2 hrs

12 SHEET NO
2 OF 7

13. DESCRIPTION OF ITEM AND DEFICIENCY

CARP — Replace 2-broken 6-light casement Window sash (Wood), including astragal, on east side of bldg. Frame and casing in good condition
Reuse existing hardware
Sash size 1'-7" X 5'-2"

PAINT — Prime and apply 2 Coats White



Inspector's Report

Figure V-3

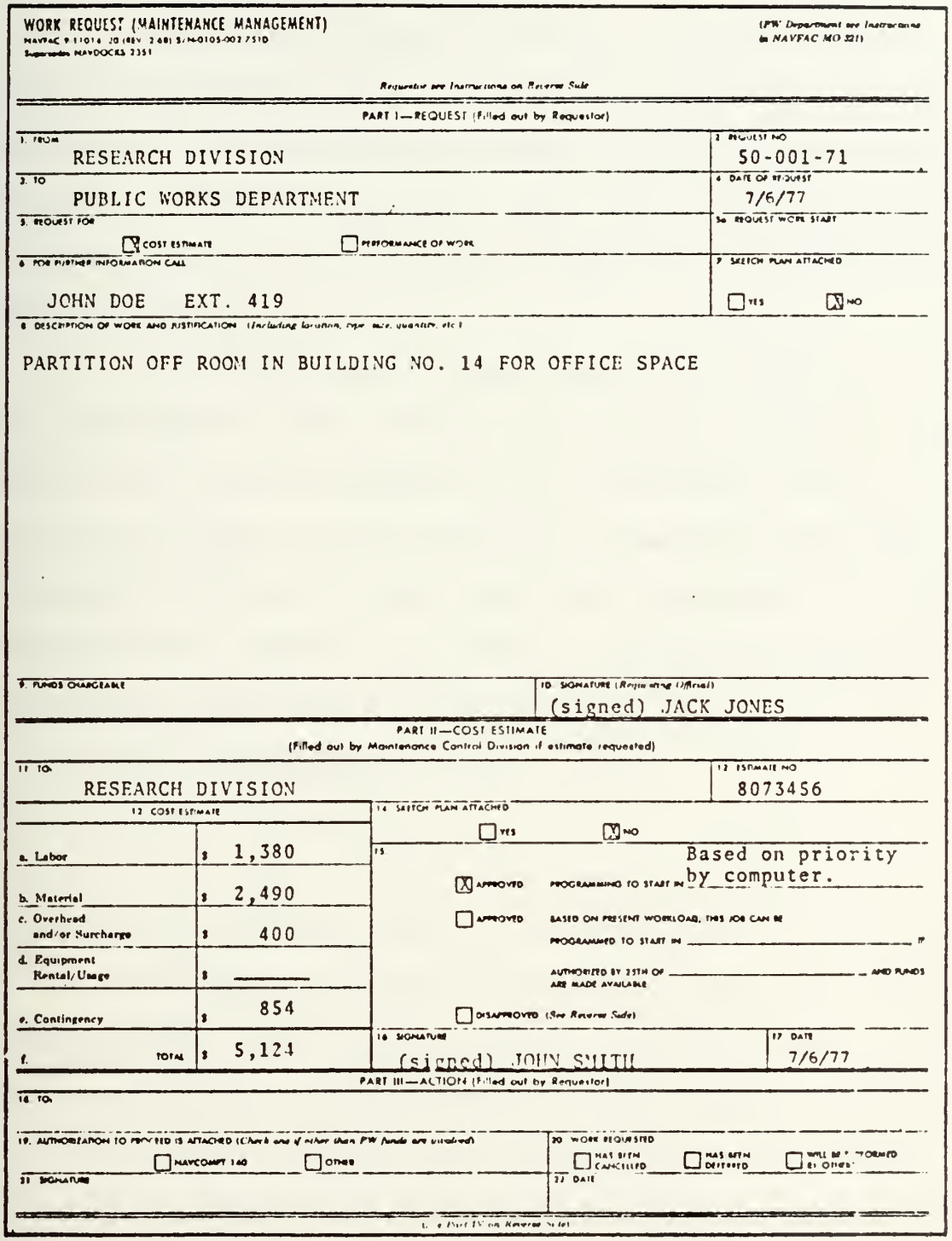
operation of the activity, endanger life or property, or involve high cost or long lead time for replacement. Generally, PMI should be performed by shop personnel under shop supervision. It is the basic responsibility of the Inspection Branch of the MCD to determine what is to be inspected and how often. Such determinations are normally made with the advice and assistance of the shops involved. Breakdowns should be reported immediately to the cognizant supervisor or the MCD. Deficiencies found are reported to the manager of the Inspection Branch, who reviews the report and initiates further action if necessary.

(4) Operator Inspections. Operator inspections consist of examination, lubrication and minor adjustments of equipment and systems for which the PWD is responsible and to which a specific operator is assigned, such as a lathe. Frequency and details of the inspections should be contained in standard operation procedures made accessible to the operator. Equipment failures should be reported to the MCD.

c. Customer Requests

Customer requests can be in the form of an Emergency/Service trouble call, or a written Work Request. In general, work of larger scope than 16 hours of labor should be requested by a work request, unless the requirement is urgent. Each PWD establishes local procedures for submittal of customer requests.

An example of a Work Request is provided in Fig. V-4. It is noted that the customer or requestor completes only the top half of the form; the remainder is for PWD use.



WORK REQUEST (MAINTENANCE MANAGEMENT)

NAVFAC 9-11014 .20 (REV. 2-68) S/N-0105-002-7510
Supersedes NAVDOCKS 2351

(PW Department see Instructions in NAVFAC MO-321)

Requestor see Instructions on Reverse Side

PART I—REQUEST (Filled out by Requestor)

1. FROM: RESEARCH DIVISION

2. REQUEST NO: 50-001-71

3. TO: PUBLIC WORKS DEPARTMENT

4. DATE OF REQUEST: 7/6/77

5. REQUEST FOR: [X] COST ESTIMATE [ ] PERFORMANCE OF WORK

5a. REQUEST WORK START:

6. FOR FURTHER INFORMATION CALL: JOHN DOE EXT. 419

7. SKETCH PLAN ATTACHED: [ ] YES [X] NO

8. DESCRIPTION OF WORK AND JUSTIFICATION (Including location, type, size, quantity, etc.)

PARTITION OFF ROOM IN BUILDING NO. 14 FOR OFFICE SPACE

9. FUNDS CHARGEABLE:

10. SIGNATURE (Requesting Official): (signed) JACK JONES

PART II—COST ESTIMATE
(Filled out by Maintenance Control Division if estimate requested)

11. TO: RESEARCH DIVISION

12. ESTIMATE NO: 8073456

13. COST ESTIMATE	
a. Labor	$ 1,380
b. Material	$ 2,490
c. Overhead and/or Surcharge	$ 400
d. Equipment Rental/Usage	$
e. Contingency	$ 854
f. TOTAL	$ 5,124

14. SKETCH PLAN ATTACHED: [ ] YES [X] NO

15. [X] APPROVED PROGRAMMING TO START IN: Based on priority by computer.

[ ] APPROVED BASED ON PRESENT WORKLOAD, THIS JOB CAN BE PROGRAMMED TO START IN _____ IF AUTHORIZED BY 25TH OF _____ AND FUNDS ARE MADE AVAILABLE

[ ] DISAPPROVED (See Reverse Side)

16. SIGNATURE: (signed) JOHN SMITH

17. DATE: 7/6/77

PART III—ACTION (Filled out by Requestor)

18. TO:

19. AUTHORIZATION TO PROCEED IS ATTACHED (Check one if other than PW funds are involved) [ ] NAVCOMPT 140 [ ] OTHER

20. WORK REQUESTED [ ] HAS BEEN CANCELLED [ ] HAS BEEN DEFERRED [ ] WILL BE PERFORMED BY OTHERS

21. SIGNATURE

22. DATE

(See Part IV on Reverse Side)

Work Request

Figure V-4

d. Command Inspections

The local Command generally schedules regular military zone inspections. The reports are compiled by the Administrative Department and routed to the department heads for action. Usually department heads submit work requests or trouble calls for correction of facility deficiencies in their facilities.

Another source of work input is the various inspections conducted by both internal and external organizations. Examples are Inspector General (IG) inspections conducted by the Major Claimant or other cognizant commands, fire safety inspections conducted by the local fire department or the EFD Fire Protection Engineer, and safety, health and sanitation inspections by the Medical Department.

6. Work Classification [CECOS, 1979]

a. Work Reception

The Work Reception and Control Branch of the Maintenance Control Division is the single point within the PWD for the reception of all work under the maintenance management system. This branch screens, classifies, and records all incoming requests for maintenance work (except emergency and service work); controls the step-by-step processing of work requests, inspection reports, job orders, emergency and service authorizations, and posts work on the work input control charts. The branch also types job orders and maintains inspection frequency files and work input control charts. The Work Receptionist should have knowledge of work which has

been received previously, especially as to current status. The importance of the work of the reception point cannot be overemphasized. The image and reputation of the entire PWD is usually set by this customer interface point. Professional courteous treatment of all customer requests and inquiries by work reception personnel is one of the most critical ingredients of a well run maintenance management system.

b. Screening

It would be uneconomical and unnecessary to manage and control a two-hour service call with the same precision as a 300 manhour major repair job. Therefore, all work is first classified and screened at the Work Reception Desk before it is subject to further control. During this step, the Work Receptionist filters out illegal work, identifies emergency jobs for immediate transmittal to the shops,

Trouble Call Desk!
(Martin, 1977)

identifies non-emergency service work (less than 16 manhours) and forwards it to the shops using the form shown in Figure V-5. A final step is ensuring that work requests submitted by customers are in the proper format. What jobs are left after this screening should be legal work of a non-emergency nature, which are of greater scope than a service call.

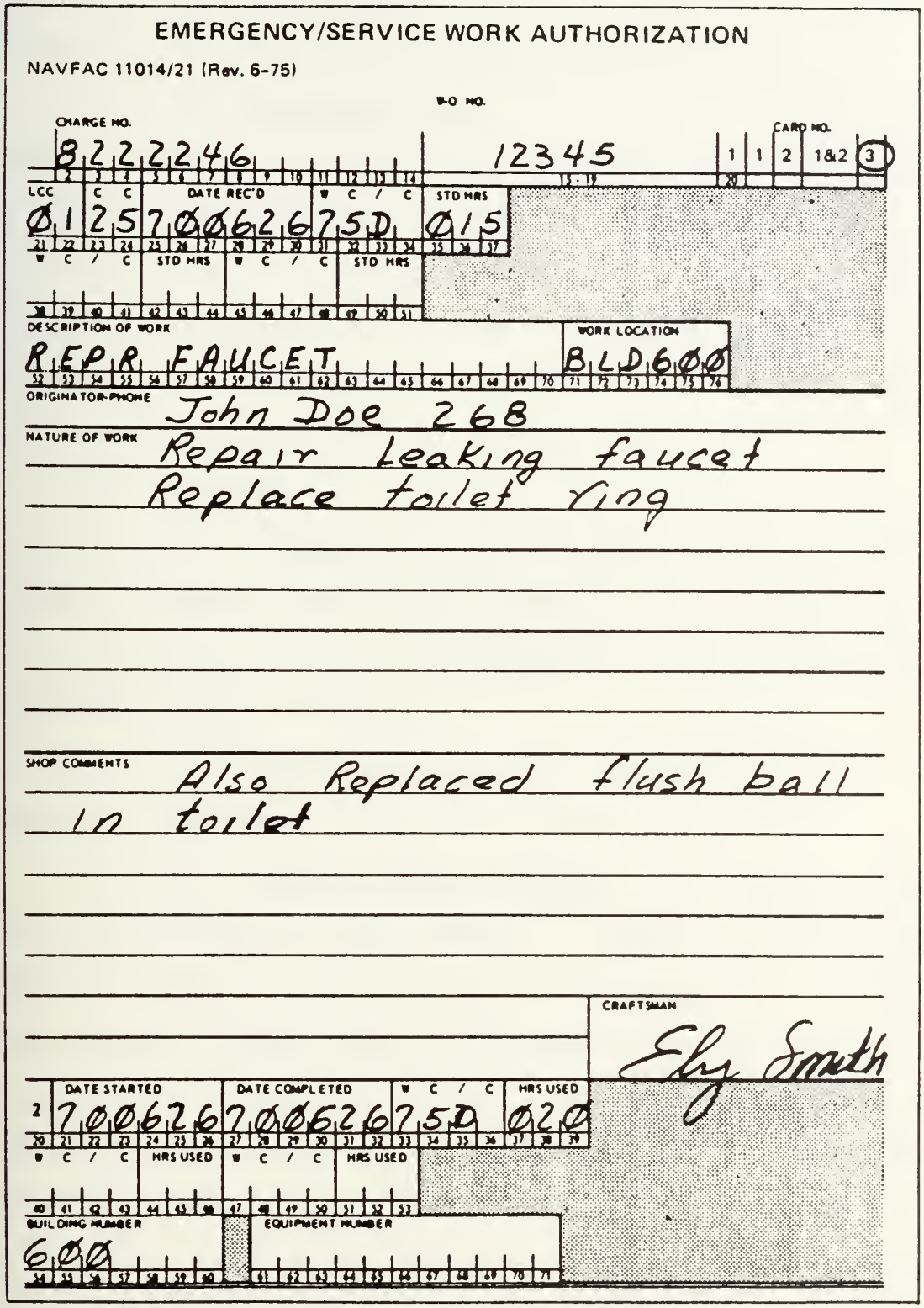
c. Categories of Work

(1) Minor Work. Minor work is either routine work or emergency work which is expected to require more than 16 manhours, but less than the number of manhours specified for a specific job order.

The dividing point between minor and specific work is based on the number of labor manhours required for the job. The process of determining this point is described in MO-321. A minor job can be planned, estimated, programmed and scheduled as would a specific job; however, it is accounted for collectively with similar jobs under a standing job order, rather than a specific job order. This means less paperwork for the comptroller and the MCD.

(2) Specific Work. Specific jobs are those of larger scope which require and justify maximum control and complete financial reporting. Specific jobs are each processed individually; that is, each is accounted for, planned, scheduled, and reported on separately. An example of a specific job is repair of deteriorated roofing of a warehouse.

The scope of many specific jobs may exceed the Command's authority to approve and fund. These should be



EMERGENCY/SERVICE WORK AUTHORIZATION

NAVFAC 11014/21 (Rev. 6-75)

W-O NO. 12345

CARD NO. 1 1 2 1&2 3

CHARGE NO. B222246

LCC Ø1257

DATE REC'D ØØ6267

W C / C 5D

STD HRS Ø15

W C / C

STD HRS

W C / C

STD HRS

DESCRIPTION OF WORK REPR FAUCET

WORK LOCATION BLD6ØØ

ORIGINATOR-PHONE John Doe 268

NATURE OF WORK Repair leaking faucet
Replace toilet ring

SHOP COMMENTS Also Replaced flush ball in toilet

CRAFTSMAN Ely Smith

DATE STARTED ØØ6267

DATE COMPLETED ØØ6267

W C / C 5D

HRS USED Ø2Ø

W C / C

HRS USED

W C / C

HRS USED

BUILDING NUMBER 6ØØ

EQUIPMENT NUMBER

Emergency/Service Work Authorization

Figure V-5

identified and a request for funds forwarded to the Major Claimant in the form of a Special Project request.

(3) Standing Jobs. In addition to specific jobs, there are larger jobs which, due to their repetitive nature, are processed as standing job orders. Examples of this type work would be grass cutting, or janitorial services. The standing job order may or may not be planned, estimated and programmed. It is preferable to have as much of this type work planned and estimated as is possible.

d. Approval

(1) Authority. Generally the Command authorizes the PWO to approve jobs up to a certain dollar value. The PWO in turn grants approval authority to the Director of the Maintenance Control Division.

The project approval authority of the Commanding Officer is defined in Chapter IV.

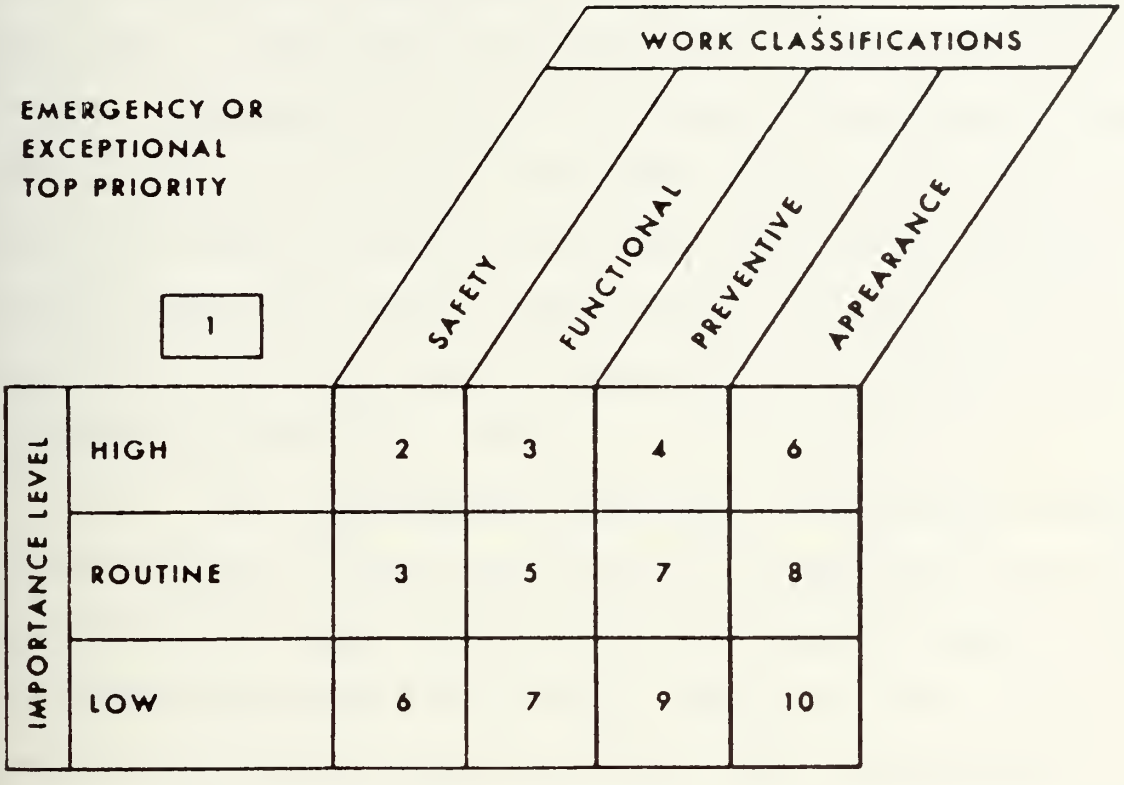
(2) Station Planning Board. The amount of funds which can be spent on improvements is limited either by directive from higher authority or by limited resources. Rather than encumber the PWO with the decision as to which improvement projects to fund, it is usual practice to have a Station Planning Board, chaired by the Executive Officer, with representatives from all departments, to make these decisions. The board may also become involved in planning, establishment of budget priorities and resolving facility problems which impact upon morale or welfare. Once the board reviews the

projects and decides upon priority, they are either put into the suspense file or processed for completion.

e. Decision Making

(1) Problem. After identifying legal jobs within the CO's approval authority, it is necessary to determine which jobs will be accomplished within limited manpower and funding resources. While there is no exact formula for making these decisions, the factors of job priority, maintenance standards, method of accomplishment and fund source all assist the decision maker. The decision making process cannot be totally mechanized because of the large input of human judgement required in the process.

(2) Job Priority. Public Works Departments have legitimate maintenance and repair needs far in excess of resources available to accommodate them. Thus it is not enough to ensure that all work is valid; rather, the manager must select only those jobs which are most valid. The diversity of maintenance requirements in the shore establishment makes it impractical to publish a single method for prioritizing all work at all activities. It is a fundamental management responsibility to devise a reasonable objective method for identifying the relative importance of each job. Once done, the manager can select those jobs which should be planned and estimated, and scheduled for accomplishment. Figure V-6 shows a sample of a matrix method of prioritizing jobs, which was developed at Pacific Missile Test Center, Point Mugu, California. The Work Request Priority Code Selector is comprised



IMPORTANCE LEVEL CODE TABLE

Importance Level Code

1	2	3	4	5	6	7	8	9	10
A	2	3	5	6	7	8	9	10	11
B	4	5	7	8	9	10	11	12	13
C	6	8	9	10	11	12	13	14	16
D	9	10	11	12	13	14	15	17	18
E	11	12	13	14	15	16	17	19	20

PRIORITY CODE TABLE

Importance Level Code

FigureV-6

of two tables--an Importance Level Code Table and a Priority Code Table. The system classifies work by the relationship between importance levels and the Level of Maintenance Codes (LMC) based on guidelines from NAVFAC MO-322. The Importance Level Code Table is used to establish the work classification and the importance level. The Priority Code Table establishes the numeric priority value in which the work should be done [Sandford and DeLozier, 1978].

(3) Maintenance Standards. The general standard for maintenance of Naval facilities is to maintain only as appropriate to assure facility life and mission support--not to maintain everything in perfect condition. The concept says that all facilities cannot and should not be maintained to the same level--that one does not maintain a warehouse with five years remaining life with the same standards as a warehouse with 20 years remaining life; nor does one maintain warehouses to the same level as administration buildings or hospitals. There are some well defined standards available in the NAVFAC MO-322 and in the various other maintenance manuals.

(4) Level of Maintenance. Each facility at an activity does not contribute equally to the activity mission. By relating the level at which each facility is to be maintained to the support it provides to the activity mission, a greater share of maintenance can be provided to facilities that are vital to the mission. This is accomplished by establishing a Facility Categorization Code (FCC) which assigns a level of maintenance appropriate for various facilities.

The assigned level of maintenance is not of itself a priority system for specific jobs. A single facility may have different classifications for various parts. The activity should classify each facility in conjunction with the EFD Engineering Evaluation and the preparation of shore facility planning documents as outlined in Chapter IV.

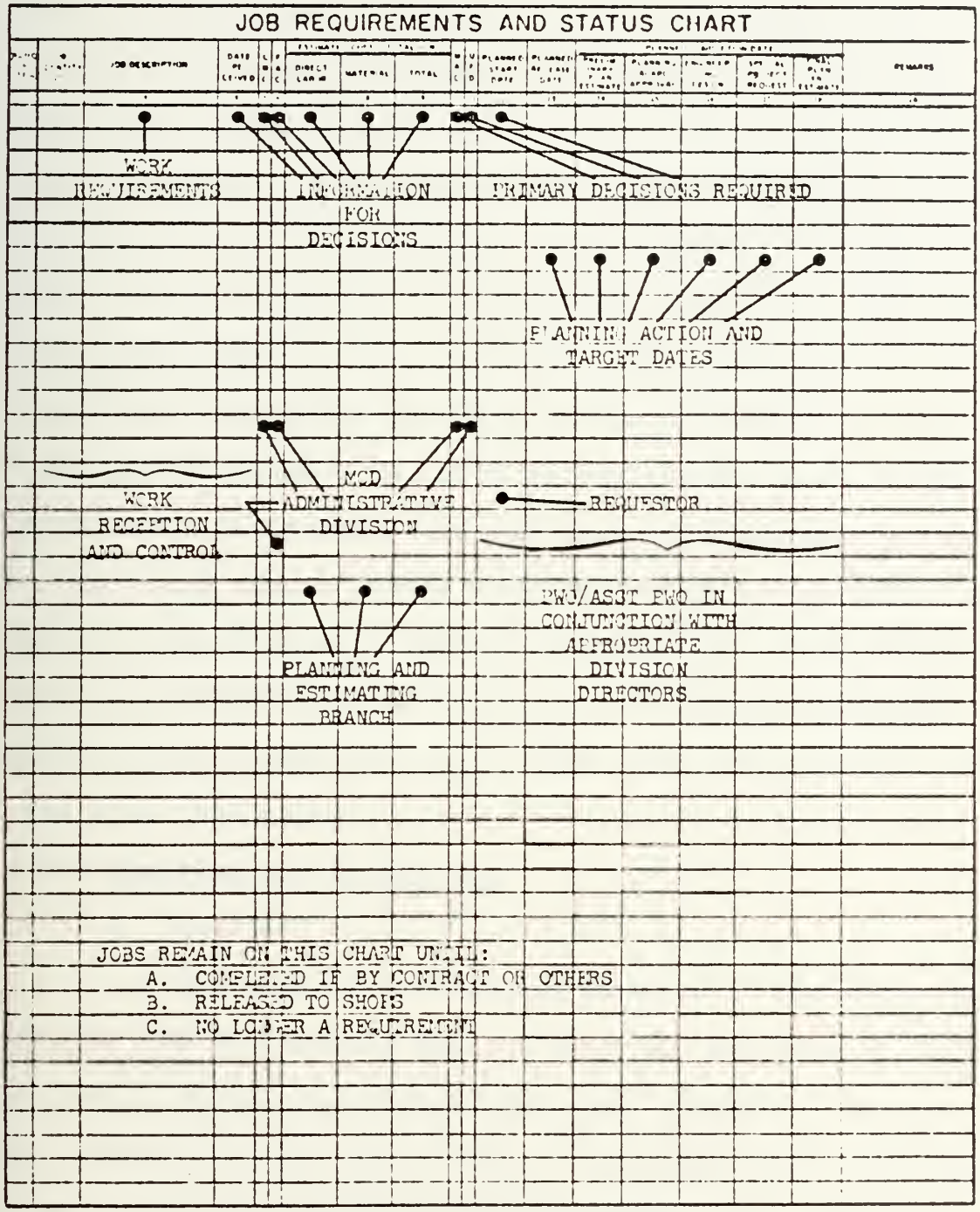
(5) Method of Accomplishment. Work may be accomplished by the PWD shops, military forces, or by contract. This decision may be based on type of work, shop backlog, funds available, urgency and other non-quantifiable factors.

(6) Funds Source. The PWD performs work funded from a variety of sources--activity O&M,N funds and reimbursible funds from family housing, tenant activities, non-appropriated funds, etc. The status of funds in the various accounts may influence which jobs are accomplished. For example, if activity O&M,N funds are low, the PWD may elect to defer non-essential O&M,N jobs in favor of work chargeable to other funds.

f. Maintaining Job Status

The number of individually identified jobs may range in the hundreds or thousands, depending on the size of the activity and the PWD. Maintaining status of these jobs is a complex chore.

The Job Requirements and Status Chart, Figure V-7, provides one form of ready reference for keeping track of all specific and minor jobs that have been established as known requirements. It is a holding device for those jobs being



MAINTENANCE WORK INPUT CONTROL

Job Requirement and Status Chart

Figure V-7

processed, planned and estimated for formalized programming. The Maintenance Control Director reviews all work placed on this chart and makes adjustments as required. This chart contains all known specific jobs which, after initial screening for necessity, are required to achieve the proper level of maintenance at an activity, or are required to support the mission of the activity. All customer funded jobs and minor construction work are also included. The chart provides information of proposed planning action so that the status of work not programmed for shop accomplishment may be readily ascertained. In general, all new work is first entered on this chart and remains there until authorized for shop accomplishment, cancelled or completed by contract. Jobs should remain on the chart in most instances in order to control preparation and planning, even though they may also be listed on the shop load plans.

7. Planning and Estimating

a. General

The work classification process is the structure which the PWD Maintenance Control Director utilizes to determine what jobs can be accomplished, what degree of control is to be applied to the jobs, and what resources are to be used. For those jobs which are to be accomplished and controlled, a work plan must be prepared through the planning and estimating process. The purpose of the planning and estimating process is to determine the amount of material, labor and

money required for the job, and to plan the sequence of operations for the job.

The planning and estimating process applies primarily to specific jobs.

b. The Process

Upon receipt of the work request, a Planner and Estimator (P&E) prepares a scoping estimate. The purpose of this estimate is to provide a quick "ballpark" estimate for the customer's use in determining whether or not to pursue a job. The scoping cost estimate and a projected work performance date are listed on the work request form, Figure V-4, and the form is returned to the customer.

If the estimate and time for completion are acceptable, the customer signs the work request and returns it to the MCD.

The P&Es then prepare the final estimate, which consists of a job plan and estimates by craft of the required amounts of labor, material and equipment required to complete the job. If an engineering design is required, the MCD requests the design from the Engineering Division. However, the P&Es may prepare shop sketches and job layouts.

After the job is planned and estimated, it is formalized as a job order by the assignment of a job order number and accounting data. It is then ready to be programmed first, into a specific month, and then into a specific week for accomplishment by the shops.

c. Estimating

Previously, planning and estimating were based on the P&Es' personal experience, contract prices, commercial catalogs and other informal processes. Estimates were inconsistent and often inaccurate. For these reasons, standard tasks known as Engineered Performance Standards (EPS) have been developed, using methods-time-measurement procedures. The task descriptions and time estimates are collected in various craft handbooks. A sample from the Carpentry Craft Handbook, showing floor covering repair, is provided as Figure V-8.

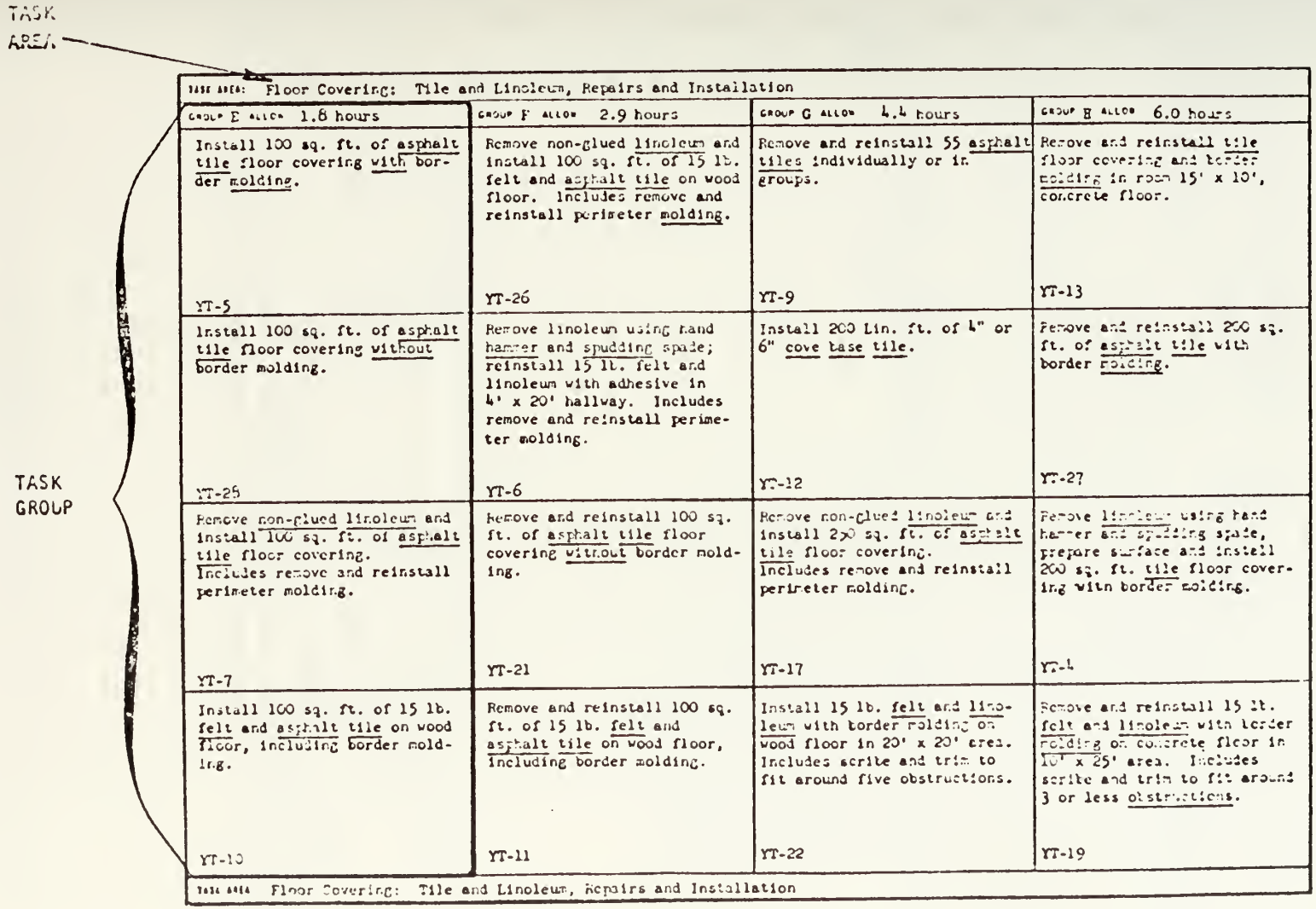
The P&E first breaks the job into tasks; then the proper task range is located in the EPS handbooks; the standard time is adjusted to suit the actual quantity of work; and the tasks are totaled to arrive at a job estimate. Allowances for transportation, rest breaks, gathering tools and materials, and unavoidable delays are made.

A completed estimate is shown in Figure V-9. A summary estimate manual, NAVFAC P-716, is available for preparation of scoping estimates.

8. Scheduling

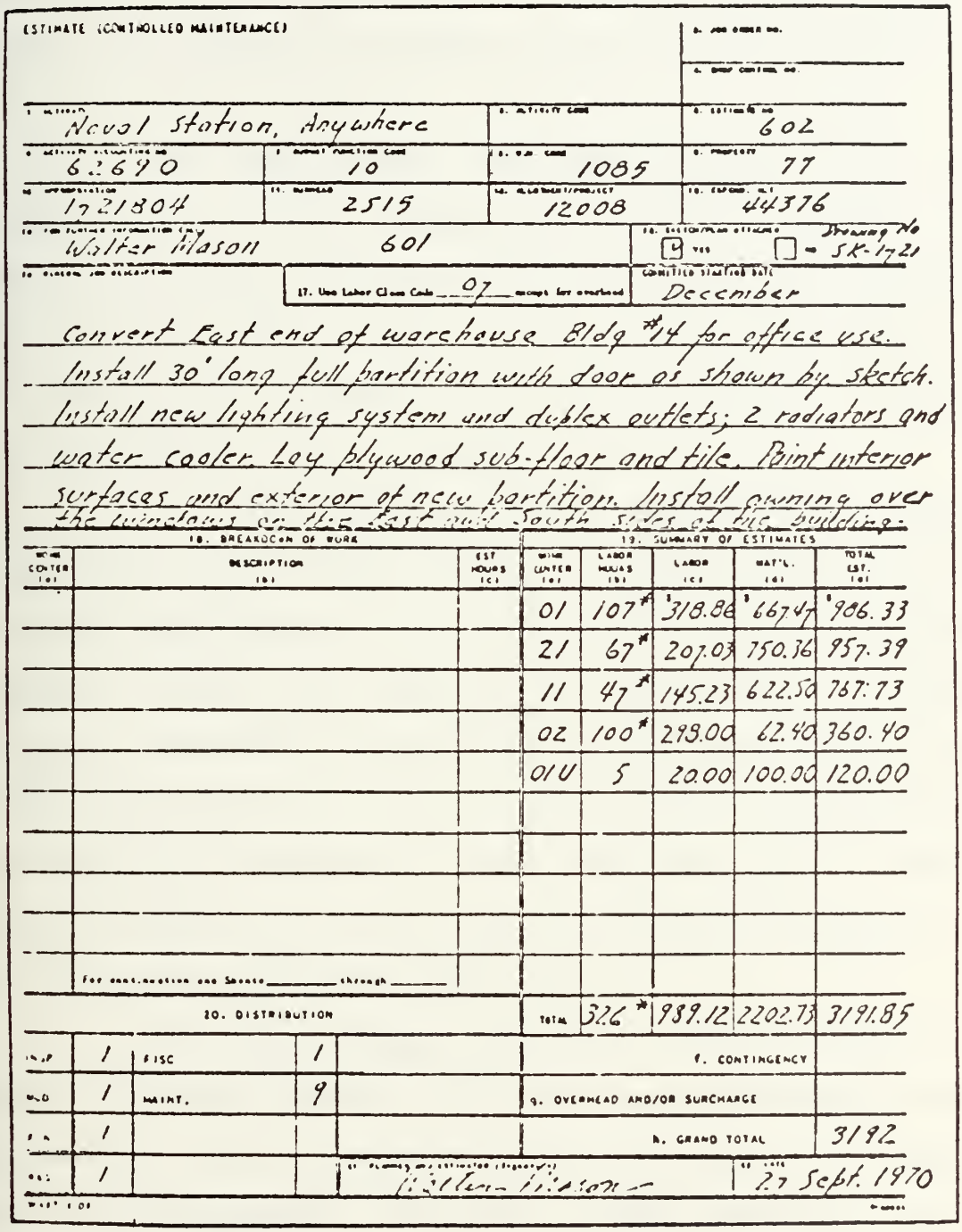
a. General

Scheduling of maintenance work involves two functions: preparation of the Shop Load Plan by the MCD; and development of the Shop Schedules by the Shops Division. After the decision has been made to proceed with a job and after planning and estimating have been completed, the specific job



Sample Task Grouping

Figure V-8



ESTIMATE (CONTROLLED MAINTENANCE)

a. JOB ORDER NO.

c. WORK CONTROL NO.

1. ACTIVITY: Naval Station, Anywhere

b. ACTIVITY CODE

d. ESTIMATE NO: 602

e. ACTIVITY ACCOUNTING NO: 62690

f. WORK FUNCTION CODE: 10

g. W.C. CODE: 1085

h. PRIORITY: 77

i. APPROPRIATION: 1721804

j. BUREAU: 2515

k. ALLOTMENT/PROJECT: 12008

l. EXPENSE NO: 44376

m. FOR FURTHER INFORMATION CALL: Walter Mason 601

n. DESCRIPTION ATTACHED: [X] YES [ ] NO — Drawing No SK-1721

o. WORK AND DESCRIPTION

17. Use Labor Class Code 07 except for overhead

COMPLETED STARTING DATE: December

Convert East end of warehouse Bldg #14 for office use. Install 30' long full partition with door as shown by sketch. Install new lighting system and duplex outlets; 2 radiators and water cooler. Lay plywood sub-floor and tile. Paint interior surfaces and exterior of new partition. Install awning over the windows on the East and South sides of the building.

18. BREAKDOWN OF WORK

WORK CENTER (a)	DESCRIPTION (b)	EST HOURS (c)
	For continuation see Sheets _____ through _____	

19. SUMMARY OF ESTIMATES

WORK CENTER (a)	LABOR HOURS (b)	LABOR (c)	MAT'L. (d)	TOTAL EST. (e)
01	107*	$318.86	$667.47	$986.33
21	67*	207.03	750.36	957.39
11	47*	145.23	622.50	767.73
02	100*	298.00	62.40	360.40
01U	5	20.00	100.00	120.00
TOTAL	326*	989.12	2202.73	3191.85

20. DISTRIBUTION

[illegible]	1	DISC	1		
M.O	1	MAINT.	9		
[illegible]	1				
[illegible]	1				

f. CONTINGENCY

g. OVERHEAD AND/OR SURCHARGE

h. GRAND TOTAL: 3192

[illegible] ESTIMATED (Signature): Walter Mason

DATE: 27 Sept. 1970

Cost Estimate Format

Figure V-9

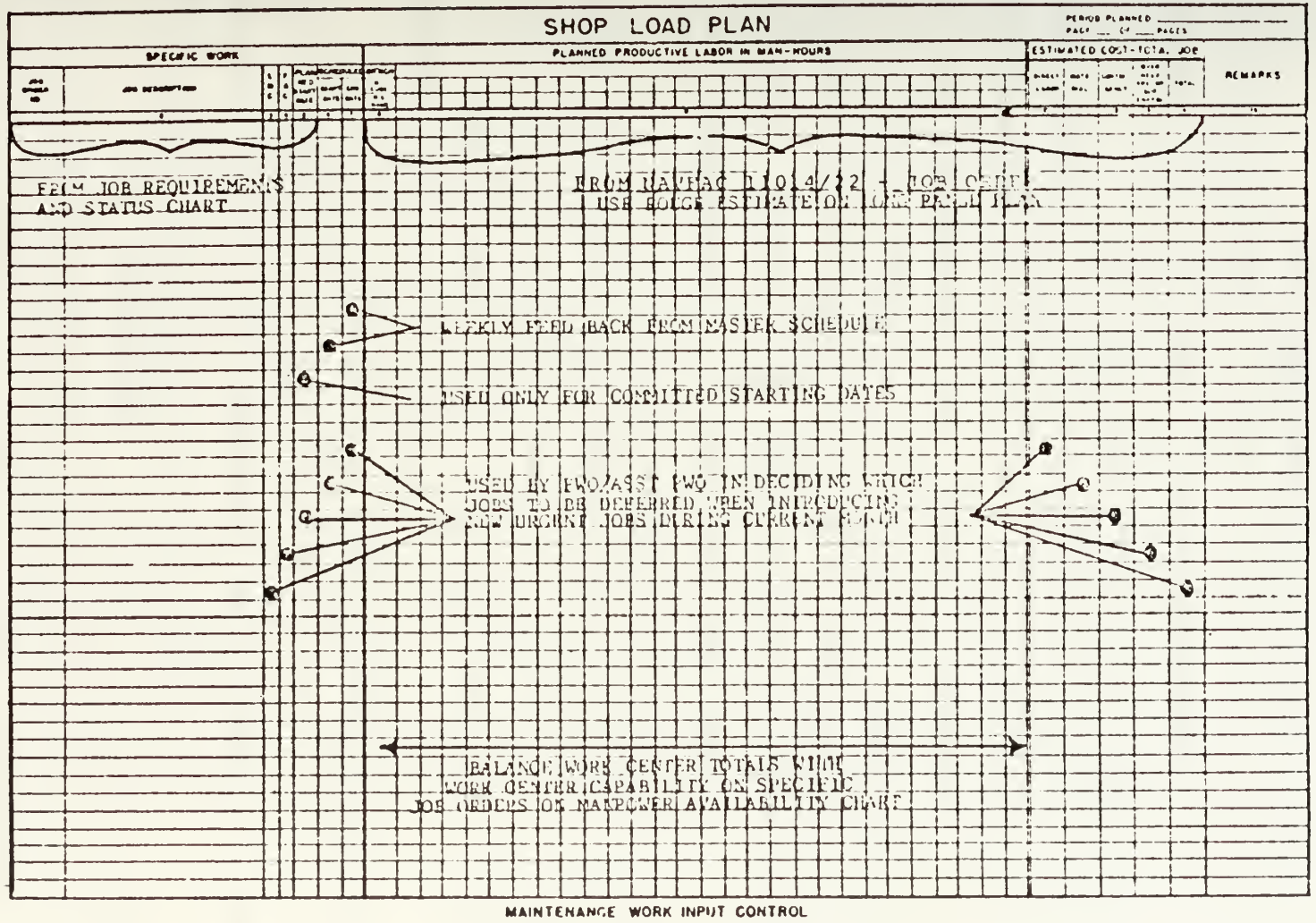
is placed in the Shop Load Plan, which is a schedule for job performance during a given month. Then the current month schedule is refined into weekly and daily work schedules.

b. Shop Load Plan

(1) Discussion. The Shop Load Plan is the end result of the job order programming sequence in the MCD. The plan is a listing of all specific job orders to be completed within a month. The purpose of the plan is to advise the shops which jobs to schedule within a given month. A sample Shop Load Plan is shown as Figure V-10.

The Shop Load Plan is expressed in terms of the commitment of a finite number of manhours for each work center for each specific job programmed. The Shop Load Plan is usually divided into sections for convenience in balancing shop labor commitments against the various fund sources which support the labor force. The minimum breakdowns are usually: jobs supported by PWD funds; and reimbursable jobs. These categories are further subdivided into "work-in-progress" jobs (carry-over work) and "new" jobs.

(2) Time Periods Covered. A Shop Load Plan covers a one-month period; the Public Works Department usually programs work beyond one month ahead, so a number of Shop Load Plans must be prepared. Groupings of Shop Load Plans have, therefore, been adopted which provide a Short Range Workload Plan and a Long Range Workload Plan. The Short Range Workload period is defined as the current month and two succeeding months.



MAINTENANCE WORK INPUT CONTROL

Shop Load Plan

Figure V-10

The Long Range Workload period is comprised of the nine months following the Short Range period.

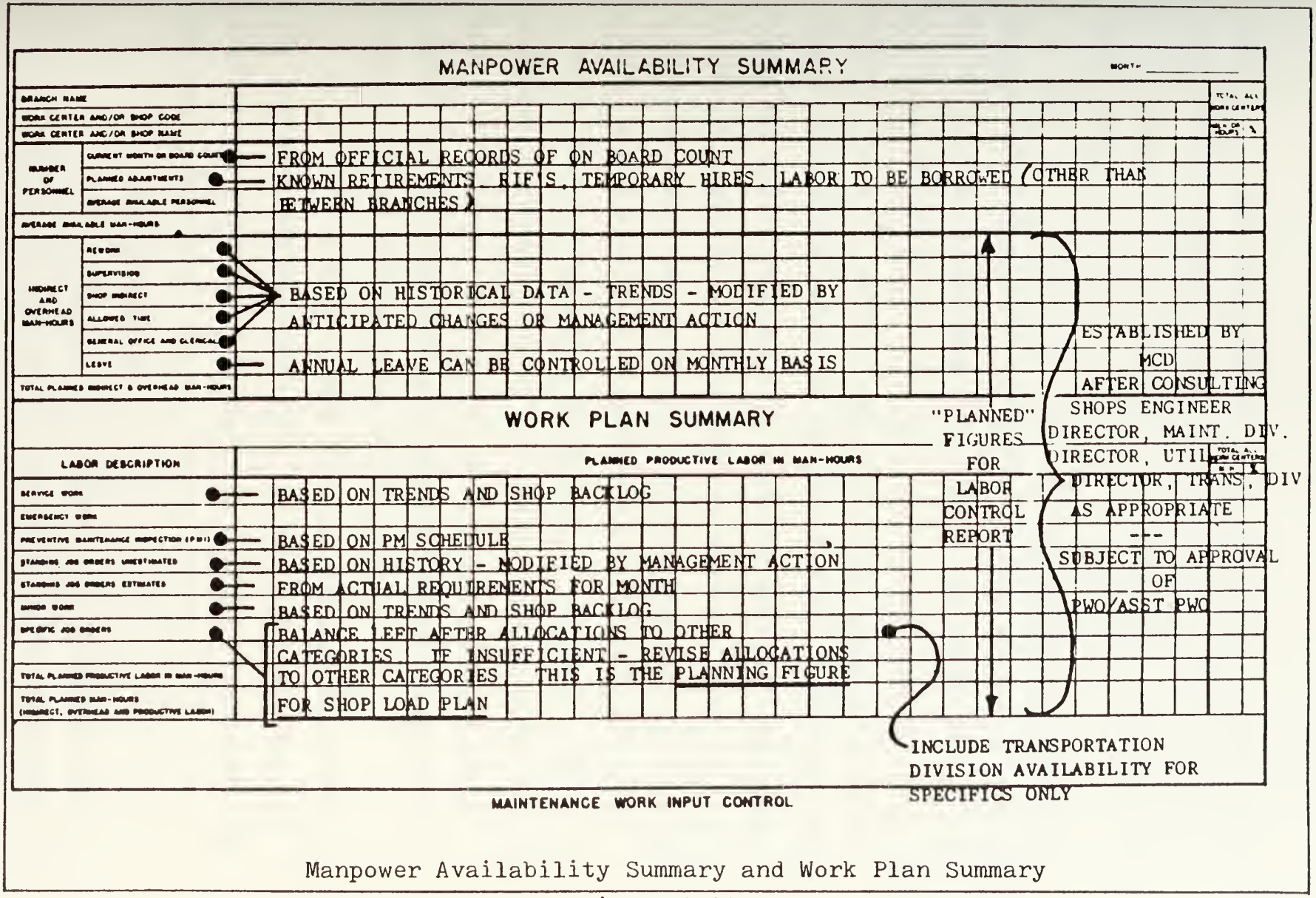
The Short Range Workload Plan consists of three Shop Load Plans: one for the current month and the individual plans for each of the next two months.

The Long Range Workload Plan may consist of commitments of resources to identified jobs on partially completed plans for each of the nine months involved. It is noted that few PWDs are able to make full detailed commitments beyond the Short Range period, because of highly variable parameters such as material delivery. Some activities use a listing of relevant data about jobs to be performed within the long range period as a Long Range Workload Plan.

As each month passes, a new plan must be prepared for the new third month within the short range period, and added to the Short Range Workload Plan. The plans for the current month and the following month are already programmed, but must be updated.

Four times per year the Short Range Workload Plan corresponds with the funding fiscal year quarter. This coincidence affords PWD management the opportunity to correlate job order programming with fund availability.

(3) Preparation. In order to prepare the Shop Load Plan, the MCD must have certain data from the Shops. The Manpower Availability Summary and Work Plan Summary, Fig. V-11, is prepared by the shops to inform the MCD of anticipated labor hours available during the next month for specific



Manpower Availability Summary and Work Plan Summary

Figure V-11

job order work. The listing is broken down by work center. This summary document shows how the shops plan to allocate time between the various types of work (E/S, minor, specific and standing).

Only jobs for which material is available, or for which firm material delivery dates exist, should appear on the current month Shop Load Plan. The costs of demobilizing jobs for which material has run out and remobilizing after material is received are expensive, and represent a direct loss of productive work for which the funds could otherwise have been used. Placing high priority work for which material is not in sight on the plan usually results in reprogramming to a later date. Material availability for all jobs on the current month plan is a prerequisite to a practical plan.

Equipment availability problems usually concern one-of-a-kind items at a command, such as mobile cranes. Conflicts in requirements for such equipment are usually brought to the attention of management by the programming system early enough for easy solution.

Having taken into account manpower, equipment and material availability, the MCD must then balance specific job priorities against the available resources for work performance.

c. Shop Schedule

(1) Process. Shop scheduling commits shop personnel to specific work sufficiently in advance of execution to ensure coordination of personnel, material, equipment and

job site availability. Shop scheduling takes place in two phases: master scheduling of specific job orders on a weekly basis, and work center scheduling of specific and minor work. Master scheduling allocates specific jobs to each work center for accomplishment during the following week. Work center scheduling takes up where master scheduling leaves off; each work center supervisor breaks down the weekly assignments provided by the master scheduler into daily work assignments for the craftsmen in the shop. In addition to the daily assignments for work on specific job orders, the work center supervisor assigns minor work to the remaining uncommitted shop personnel.

Shop scheduling is done for all work center manhours left after subtracting fixed assignments (standing job order, PMI, periodic inspection, etc.), leave, holiday and other overhead time. Of the remaining manhours, about 75 percent should be committed for specific jobs which have been planned and estimated. The remaining percentage of work center manhours is scheduled by the supervisors for minor work. This ratio of specific job orders to minor work provides scheduling flexibility. Occasionally, an urgent job or emergency occurs after the master schedule has been prepared; or the number of available personnel may vary. Rather than disrupting work on the carefully planned and estimated major jobs, some of the minor work can be delayed.

Shop scheduling as a whole provides for the orderly and economic accomplishment of jobs. Further, scheduled

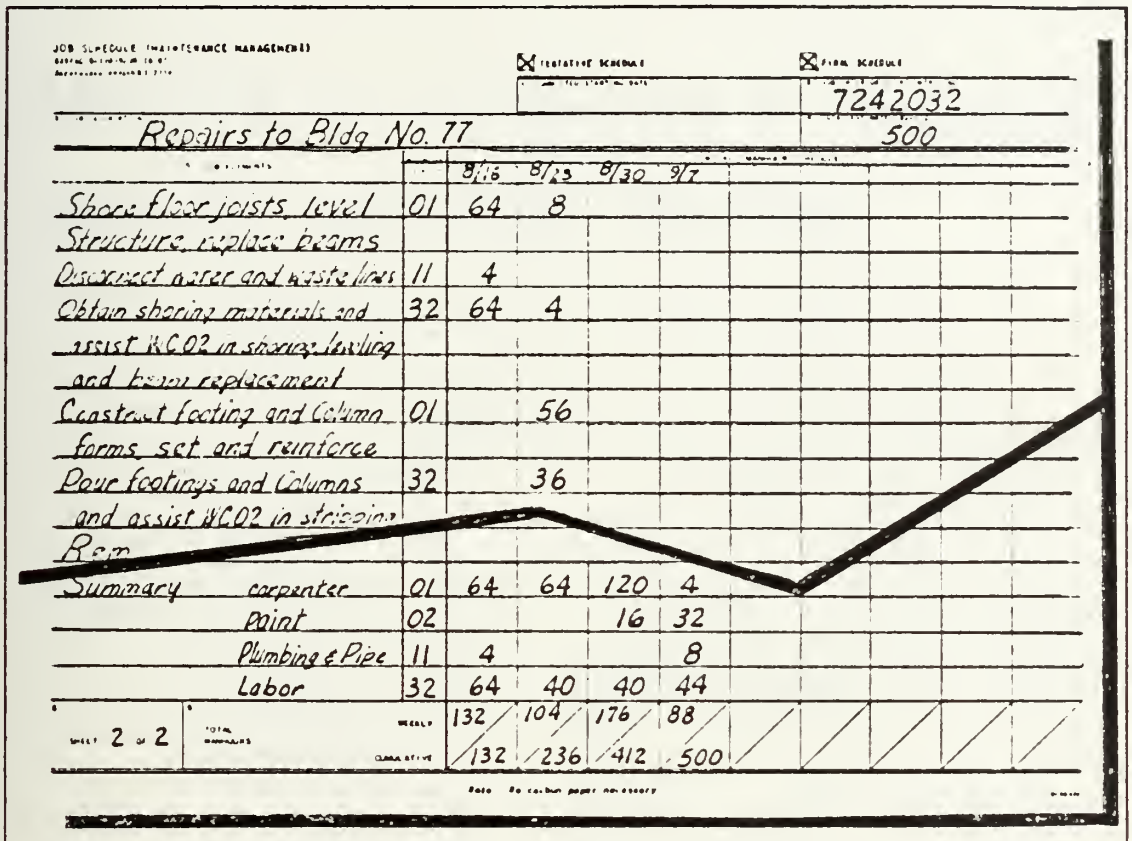
times, when compared to actual manhours required to accomplish the work, form the basis of management analysis of results.

(2) Master Scheduling. Master Scheduling is the establishment of a time frame for completing each job, and the assignment of these jobs on a weekly basis within shop forces capability.

The Master Scheduler first prepares a Job Schedule, Figure V-12, which breaks out work elements by work center. Since adherence to the master schedule is essential for economical accomplishment of major work, each Job Schedule that the Master Scheduler prepares is carefully checked by work center supervisors and branch managers; minor adjustments are occasionally made on the Job Schedule to ensure maximum work center efficiency. A Job Schedule must be approved at a weekly meeting before it becomes final. The work center supervisors work in close contact with the Master Scheduler concerning actual work center manhour constraints or conditions.

A Master Schedule Board, Figure V-13, is a centrally located visual focal point where job status review can take place.

(3) Work Center Scheduling. The work center schedule covers daily craftsman assignments for the following week. Using the Job Schedules and Master Schedule, the Master Scheduler develops the work center schedule, Figure V-14, for each work center for the next week, and forwards the schedules to each work center. The work center supervisors, in coordination with each other, schedule their work centers for the next week.



JOB SCHEDULE (MAINTENANCE MANAGEMENT)

☒ TENTATIVE SCHEDULE ☒ FINAL SCHEDULE

7242032

Repairs to Bldg No. 77 500

		8/16	8/23	8/30	9/7					
Shore floor joists, level structure, replace beams	01	64	8							
Disconnect water and waste lines	11	4								
Obtain shoring materials and assist WC02 in shoring, leveling and beam replacement	32	64	4							
Construct footing and column forms, set and reinforce	01		56							
Pour footings and columns and assist WC02 in stripping	32		36							
Rem										
Summary carpenter	01	64	64	120	4					
Paint	02			16	32					
Plumbing & Pipe	11	4			8					
Labor	32	64	40	40	44					
WEEK 2 of 2 TOTAL MANHOURS	WEEKLY	132	104	176	88					
	CUMULATIVE	132	236	412	500					

Note: No carbon paper necessary

The Job Schedule is prepared by the Master Scheduler.

1. Upon receipt of a joborder to be master scheduled:
   a. Completes items 1 thru 4.
   b. Lists components of job, in sequence to be accomplished, in item 5. Identifies Work Centers involved in item 6.
   c. Enters manhours to be expended each week, until job is completed, in appropriate columns of item 7. Determines weekly manhour requirements from job sequence and economical crew size.
   d. Totals manhours for each Work Center for each week. Enters the weekly and cumulative job totals in item 9.
   e. Checks "Tentative Schedule."
2. Upon notification that material is available and job is activated by Division Director:
   a. Researches the Work Center Manhour Availability Log (Figure 9-2) to determine the consecutive weeks in which sufficient manhours will be available in all Work Centers to perform the work without interruption. Enters these dates in item 7.
   b. Distributes copy to appropriate Branch Managers for review prior to weekly scheduling meeting.
3. At weekly scheduling meeting, collects all "Tentative" Job Schedules.
4. After weekly scheduling meeting:
   a. Makes necessary corrections, or prepares new job schedule.
   b. Checks "Final Schedule" and crosses out "Tentative Schedule."
   c. Distributes to appropriate Work Center Supervisors, via Branch Manager, with Work Center Schedule.

Job Schedule

Figure V-12

MASTER SCHEDULE BOARD

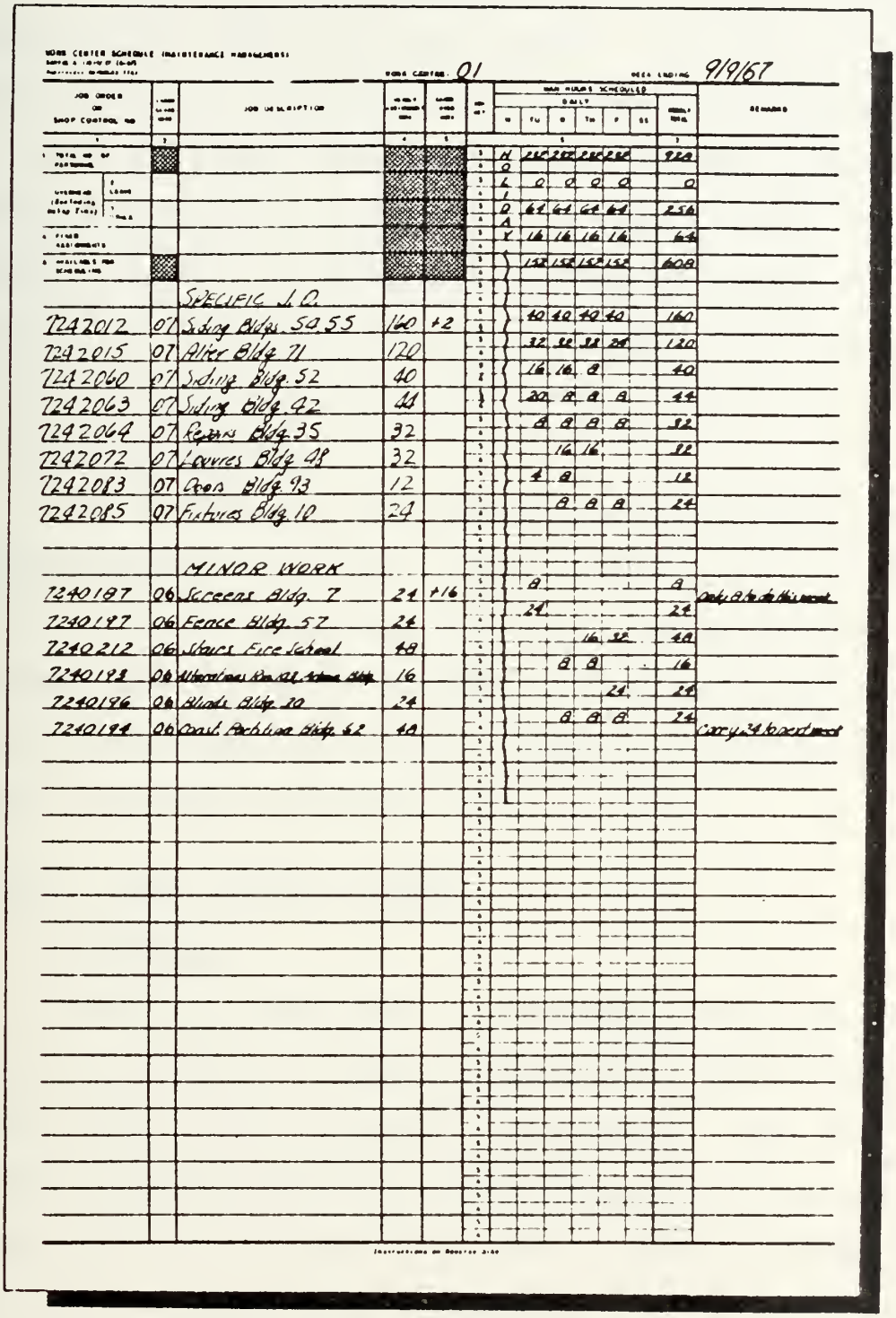
AWAITING MATERIAL SECTION

FOR WORK CENTER COLOR CODES SEE ACTIVE SECTION

JOB ORDER OR SHOP CONTROL NUMBER	DESCRIPTION	DATE ISSUED TO SHOPS	COMMITTED STARTING DATE	REMARKS	TOTAL MANHOURS ESTIMATED										
					01	02	04	06	11	13	15	21	23	32	TOTAL
7242146	Install (1) Twin Post Vehicle Lift, Area No. 2	8/16					80	18	13		10			60	181
7242144	Install Fans and Louvers N End, Bldg No 56	8/16			14	32	6			4		56		12	124
7242145	Constr Conc. Block Vault + Steel Door, Bldg No 56	8/17	9/11			24	58	12			8	16		20	138
7242151	Conversion of Barracks Bldg. No. 172	8/31			1324	387	212		367	85		265		694	3334
7242154	Repair Bumper System Bldgs Nos 104, 105, 106	8/1			50										50
7242159	Rehabilitate Card Storage Room, Messhall	8/3			40	40				38		10	120	16	264
7242158	Move and Install 300'-12" Water Main - K St	8/16			24		24	105	24					234	411
7242161	Replace (1) Post + (3) Truss Ties - Bldg No 106	8/21			96						6			12	114
7242165	Remove + Install Roofing, Eaves + Vent Pipe, Bldg No 107	8/31			126					24				24	174
TOTAL MANHOURS AWAITING MATERIAL-BACKLOG					2806	1910	728	764	2742	887	341	3312	197	2736	16563

Master Schedule Board Section

Figure V-13



WORK CENTER SCHEDULE (MAINTENANCE MANAGEMENT)

WORK CENTER: 01 WEEK ENDING: 9/9/67

JOB ORDER OR SHOP CONTROL NO.		JOB DESCRIPTION	WORK HOURS REQUIRED	WORK HOURS SCHEDULED		DAILY M	Tu	W	Th	F	Sa	WEEKLY TOTAL	REMARKS
1	2		4	5	3	6						7	
1 TOTAL NO. OF PERSONNEL						A	240	240	240	240		960	
						Q							
UNSCHEDULED (Backlog, delay Time)	A LABOR					L	0	0	0	0		0	
	B HRS.					D	64	64	64	64		256	
4 FIXED ASSIGNMENTS						A							
5 MACHINES FOR SCHEDULING						Y	16	16	16	16		64	
							152	152	152	152		608	
		SPECIFIC J.O.											
7242012	07	Siding Bldgs. 5055	160	+2			40	40	40	40		160	
7242015	07	Alter Bldg 71	120				32	32	32	24		120	
7242060	07	Siding Bldg 52	40				16	16	8			40	
7242063	07	Siding Bldg 42	44				20	8	8	8		44	
7242064	07	Repairs Bldg 35	32				8	8	8	8		32	
7242072	07	Louvres Bldg 48	32					16	16			32	
7242083	07	Doors Bldg 93	12				4	8				12	
7242085	07	Fixtures Bldg 10	24					8	8	8		24	
		MINOR WORK											
7240187	06	Screens Bldg. 7	24	+16			8					8	Only 8 hrs this week
7240197	06	Fence Bldg. 57	24				24					24	
7240212	06	Stairs Fire School	48						16	32		48	
7240198	06	Alterations Bldg 32, Annex Bldg	16					8	8			16	
7240196	06	Blinds Bldg 10	24							24		24	
7240194	06	Coal Pocket Bldg 62	48					8	8	8		24	Carry 24 hours next week

Work Center Schedule

Figure V-14

d. Unfunded Work

The previous paragraphs have addressed the processing of jobs which have been funded. But what of the jobs which are not of sufficiently high priority to achieve funding, or are of scopes which exceed the approval authority of the CO? All unfunded maintenance and repair work in these categories is held in suspense and reported annually on a report called the Annual Inspection Summary. This report is discussed in Section E of this chapter.

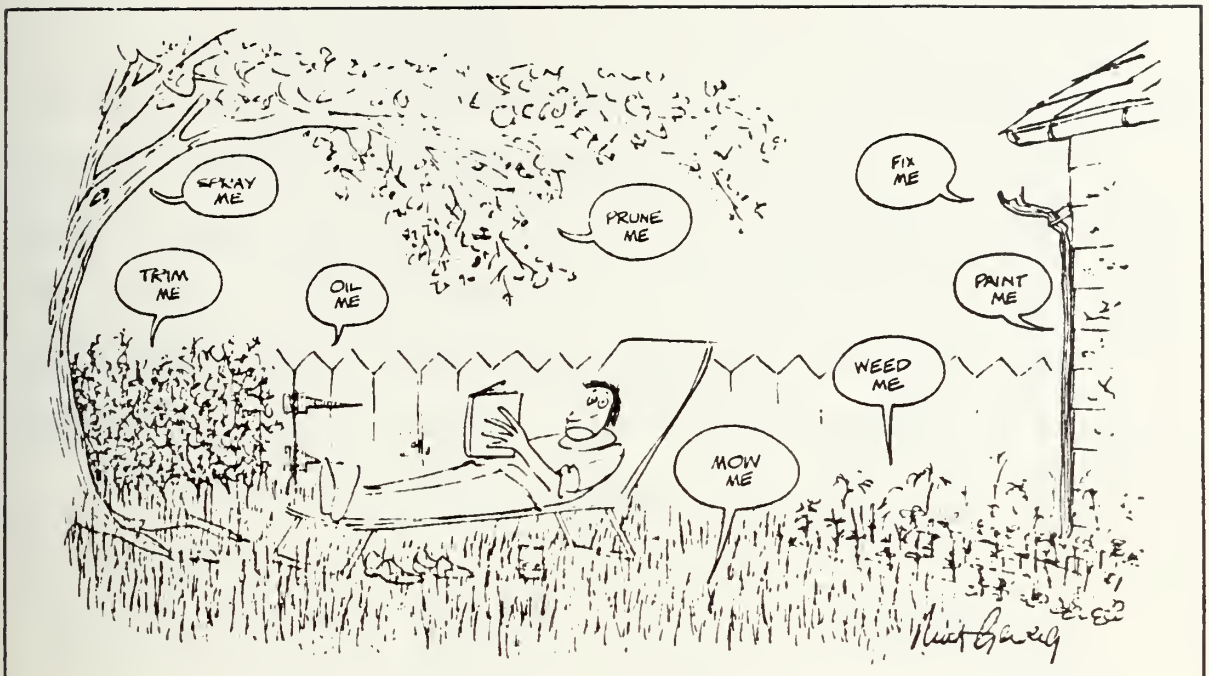
9. Accomplishment

The final step in the maintenance management process is accomplishment of the job. The scheduled work is performed by the work center personnel, and inspected by the work center supervisor and other shop management. In many PWDs, procedures are established for an MCD inspector or P&E to inspect the work to assure conformance with the plan.

D. PUBLIC WORKS SUPPORT SYSTEM

1. Background

NAVFAC is responsible for providing technical and administrative advice to shore activities in many areas, including public works management procedures. One vital area of concern is the adaptation of automatic data processing systems to the public works functions. NAVFAC, through the Civil Engineer Support Office (CESO) at Port Hueneme, CA, developed the Public Works Department Management System (PWDMS) to support the maintenance management system as



(New Yorker, 1975)

described in NAVFAC MO-321 and MO-322. The Facilities Support Office (FACSO), also located at Port Hueneme, maintains standard ADP documentation and computer programs for Navy-wide application. The PWDMS consists of a set of modules, which the activity may select for use on locally available ADP assets.

The original concept of PWDMS provided program modules for use on large scale computer hardware; however, the scope has been extended to include provision of modules for use on minicomputers. With the new scope of PWDMS, the system name was changed to Public Works Support System (PWSS). The potential for the management use of CRT screened and sorted data on demand, in lieu of most of the voluminous batch processed paper outputs of the older systems, is gaining wide interest.

In addition, the potential for cost and personnel savings and the lower error rate of the direct entry CRT display add further appeal to the minicomputer approach. A series of separate and compatable, but not electronically interfaced, ADP packages for minicomputers is being developed. As with the PWDMS modules, the shore activities select the PWSS modules for use on locally provided minicomputer hardware.

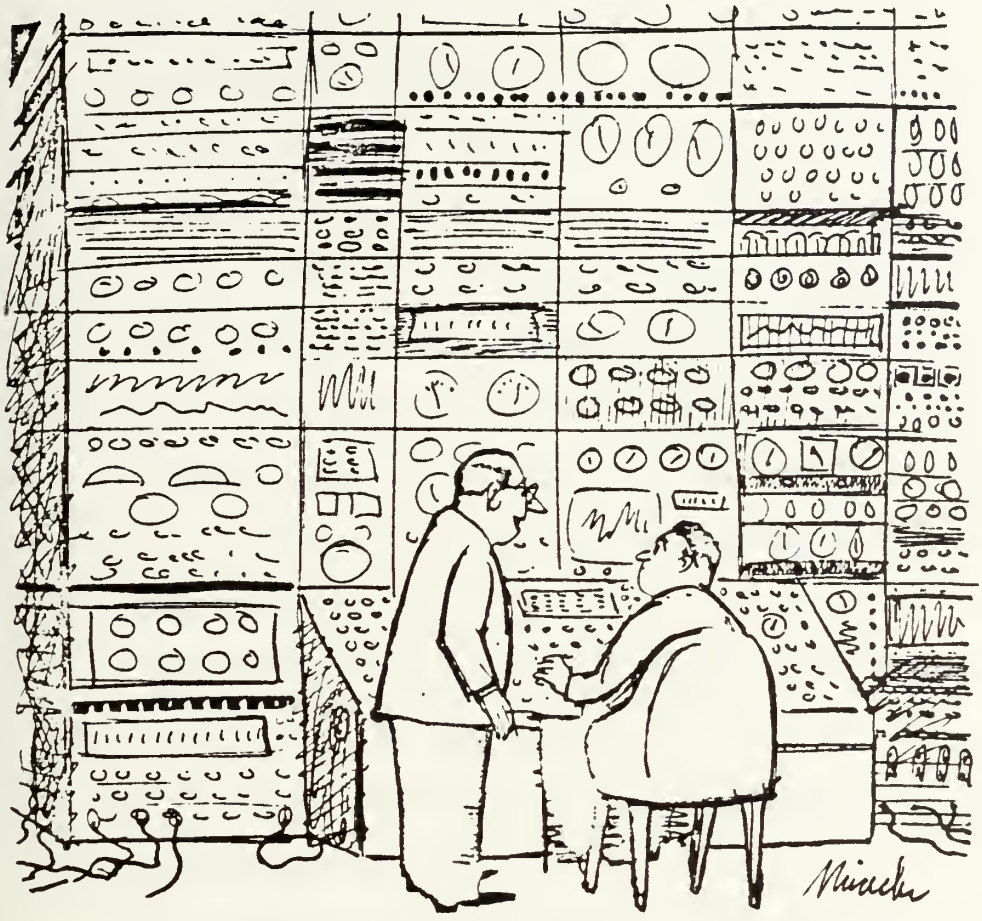
A list of proposed PWSS modules and their availability dates follows:

Emergency/Service (PWDMS)	Available now
Shore Facilities Inspection (PWDMS)	" "
Family Housing (Minicomputer)	" "
Emergency/Service (Minicomputer)	" "
PMI (Minicomputer)	FY 80
Job Estimating System (Minicomputer)	FY 80
Work Planning and Status (Minicomputer)	FY 81
Management Analysis (Minicomputer)	FY 81
Work Input Control (Minicomputer)	FY 82
Utilities (Minicomputer)	FY 82
Transportation (Minicomputer)	FY 83

2. System Modules

a. Emergency/Service

The objectives of the Emergency/Service data system are to provide a way to manage emergency/service work, to identify the magnitude of E/S work in terms of manpower requirements, the craft or work to be performed, and the response time required to provide E/S support. The system identifies equipment or facilities which require excessive E/S support, and lists E/S work waiting material. The system



"You'll do all right here, Benson, if you just bear one thing in mind—the machine has the brains."

(Martin, 1977)

design provides performance evaluation related to EPS and local response criteria.

b. Shore Facilities Inspection

Shore Facilities Inspection includes two modules, Control Inspection and Preventive Maintenance Inspection.

The Control Inspection Module provides uniform and standard operating procedures, source input control documents, and output management reports for planning, accomplishing and appraising control inspection. It provides guidance

for identifying equipment to be inspected and details the screening requirements; establishes a plan for controlling and scheduling inspections, and monitors inspection performance. It also provides the documentation for the Type A Annual Inspection summary and supporting documents.

The Preventive Maintenance Inspection module performs similar functions to those of the control inspection module. It establishes a plan for controlling and scheduling inspections, and monitors inspection performance.

c. Housing

The Housing System will encompass waiting, occupancy, and referral subsystems; and will provide timely status in all areas of housing for better utilization and management.

d. Transportation

The Transportation System is designed to provide the manager with the tools that are necessary to effectively manage the transportation operation in an efficient, economical and responsive manner. It obtains cost and labor information from the activity financial system for internal and external reporting requirements.

The system consists of two modules, Operations and Maintenance. The Operations Module provides vehicle utilization data, operator usage by work area, and related indirect support effort compared to direct productive effort. The Maintenance module furnishes a comparison of actual labor with estimated labor time for equipment repairs, target costs with actual costs, and productive labor with indirect labor.

e. Utilities

The Utilities Module is designed to provide the manager with tools necessary to manage the utility plants and systems at an activity. The system consists of three modules: the Data Module provides information on performance and the condition of the utility systems; the Target Module provides information on the effectiveness of service utilization and operation efficiency; the Allocations Module provides information on the extent that a particular utility service has been used by various customers.

f. Work Planning and Status

The Work Planning and Status System is designed to track the status of job orders from inception to completion. It will be able to identify the status of any job upon request, or to identify the backlog in any area of work.

g. Facilities Engineering Job Estimating

The function of this system is to generate estimates of labor hours, labor costs and equipment costs. The system relies upon a cost estimating guide, unit price standards, engineered performance standards, and locally generated standards.

h. Work Input Control

This system is designed to identify on a periodic basis deficiencies in all facilities and equipment, and to initiate appropriate corrective action to maintain these facilities and equipment at the required level of maintenance; to provide a system for controlling PWD real property

maintenance activities from inception to completion, and to provide scheduling support and information on manpower availability, planned overhead and productive work, and total workload requirements necessary to control and accomplish essential maintenance and repair jobs within a current fiscal year.

i. Management Analysis

The Management Analysis module covers the output and use of after-the-fact reports on completed jobs and work force utilization.

E. REPORTS

1. Introduction

The PWSS is an automated system being used at many PWDs to provide reports on some PWD functions. However, there is still a requirement for several maintenance management reports not included in the PWSS. These reports give the PWD manager an opportunity to grade the performance of the maintenance management system. Each PWD is unique, and its problems are different than others. It is the responsibility of management to identify and make use of those reports which highlight shortcomings in the system.

The reports utilized in the maintenance management system are designed to highlight specific areas in which the system is not working properly. One type focuses on the utilization of shop labor within the maintenance and utilities divisions, and permits the PWO to actually put an index on

productive effort. The other focuses on individual job accomplishment by comparing estimated and actual times and costs of performance. This permits critical evaluation of P&E effort, and on-the-job supervision [CECOS, 1979].

2. Source Documents

The primary source document for performance reports is the time card, on which is logged the amount of time each workman spent on a particular job, and a particular labor class code. Other source documents include the material stub requisition, and the P&E estimates for time, material and cost.

A brief description of the reports is provided herein. More specific guidance concerning the reports is provided in NAVFAC MO-321 and the NAVCOMPT Manual, Volume III, Chapter 7.

3. Tabulated Report A

The Tabulated Report A (TAB A), prepared by the Comptroller, is the feeder report for the Maintenance and Utilities Labor Control Report. It is a monthly report which provides information on the expenditure of labor hours to the various labor class codes of work in each cost center. It is for local use only, and is optional for small activities with less than 75 personnel in the combined maintenance and utilities divisions. Its primary use is a feeder in the preparation of the manpower availability summary [Johnson, 1976]. A copy of the Tab A is provided as Figure V-15.

4. Tabulated Report B

The Tabulated Report B (TAB B), prepared by the Comptroller, is a two-part report designed to provide final cost

PUBLIC WORKS DEPARTMENT TABULATED REPORT A - FEEDER FOR MAINTENANCE/UTILITIES DIVISIONS LABOR CONTROL REPORT

Work Center	Labor Class Code	Actual Labor Hours-Month	Actual Labor Hours-Fiscal Year-To-Date
11	01	74.9	638.2
	02	33.4	397.7
	03	115.0	1438.9
	04	59.6	752.6
	05	218.7	1988.0
	06	175.3	1962.5
	07	788.2	8964.4
		1465.1	16122.3
	40	5.5	51.2
	41	152.0	1820.0
	42	89.6	752.1
	43	58.0	531.0
	44		
	45	178.0	1962.0
		483.1	5116.3
		1948.2	21238.0
12	01	79.0	831.2
	02	16.0	194.6
	03	81.0	754.2
	04		215.6
	05	495.0	5318.1
	06	51.6	436.2
	07	115.0	1630.2
		837.6	9380.1
	40		31.2
	41	120.0	1432.0
	42	94.6	756.0
	43	45.0	421.8
	44		
	45	129.0	1536.0
		388.6	4177.0
		1226.2	13557.1
Branch (A) Summary	01	153.9	1469.4
	02	49.4	592.3
	03	196.0	2193.1
	04	59.6	968.2
	05	713.7	7306.1
	06	226.9	2378.7
	07	903.2	10594.6
		2302.7	25502.4
	40	5.5	82.4
	41	272.0	3252.0
	42	184.2	1508.1
	43	103.0	952.8
	44		
	45	307.0	3498.0
		871.7	9293.3
		3174.4	34795.1
Maintenance Division Summary	01	369.0	3241.0
	02	218.6	2002.1
	03	594.0	5634.0
	04	421.0	4437.2
	05	2431.6	25333.2
	06	1896.4	2070.4
	07	6945.2	73931.6
		12075.8	116644.9
	40	27.8	115.2
	41	624.5	7211.4
	42	231.2	1974.8
	43	189.6	1438.0
	44	160.0	1537.0
	45	1452.0	10536.2
		2685.1	30812.6
		15560.9	147462.1
Utilities Division Summary	01	79.0	833.2
	02	38.2	311.7
	03	104.6	1312.2
	04	29.8	347.2
	45	738.0	9334.0
		1279.3	13321.8
		7341.8	67519.2

Tabulated Report A
Feeder Report for Labor Control Report

Figure V-15

data on completed job orders. Part One includes both completed and cancelled job orders, and is prepared weekly at the option of the PWO. Part Two includes only completed job orders, and is prepared monthly. The report is optional for small activities. It is designed to evaluate both planning and estimating and job order execution by highlighting variances [Johnson, 1976]. A copy of the Tab B is provided as Figure V-16.

5. Report on Variation on Completed Job Orders

The purpose of this report is for PWD management to investigate those variances reported on the Tab B report which exceed established NAVFAC criteria. An investigation should be made when the variance (difference between estimated and actual job or work center cost) exceeds 10 percent on jobs less than $10,000 and 5 percent on jobs greater than $10,000. The report, prepared on NAVFAC Form 11014/30, is used to determine the cause of the variance--poor planning, job description or estimating by the MCD; changes in scope during progress of the work; or by inefficient shop performance, or rework.

It is noted that this report is a management tool intended to identify problem areas and correct poor performance. The report should not become an end in itself, to the extent that more labor hours are put into locating the cause of the variances than resulted from the variance itself.

6. Maintenance/Utilities Labor Control Report

The Maintenance/Utilities Labor Control Report is normally prepared monthly by the PWD Administrative Division

PUBLIC WORKS DEPARTMENT TABULATED REPORT B - COMPLETED JOB ORDERS

Trade Branch or Work Center	Job Order Number	Estimated Hours	Actual Hours	Estimated Labor Cost	Actual Labor Cost	Estimated Material Cost	Actual Material Cost	Estimated Total Cost	Actual Total Cost	Variation Total Cost
12	7212010	7	8.5	16	18.45	5	5.05	21	23.50	2.50
24	7212010	32	39.8	67	82.72	21	20.15	88	102.87	16.57
33	7212010	16	14.9	32	30.15	12	11.15	44	41.30	2.70
41	7212010	8	8.0	13	12.96			13	12.96	.04
		63	71.2	128	144.28	38	36.35	166	180.63	17.93
14	7242032	252	252.0	529	529.20	346	351.27	875	880.47	5.47
23	7242032	48	52.3	100	108.26	30	27.12	130	135.38	11.14
32	7242032	12	12.1	25	25.25	4	3.65	29	28.90	.60
42	7242032	188	188.3	305	305.09	7	30.83	312	335.92	23.92
		500	504.7	959	967.80	387	412.87	1346	1380.67	34.67
13	7272036	24	22.0	50	45.76	23	21.05	73	66.81	6.19
14	7272036	24	27.7	48	56.28	14	13.85	62	70.13	8.43
51	7272036	16	17.1	33	35.19	10	9.16	43	44.35	3.03
		64	66.8	131	137.23	47	44.06	175	181.29	9.17
12	7272062	265	283.5	548	586.85	187	172.25	735	759.10	53.60
33	7272062	79	74.3	161	150.75	65	59.95	226	210.70	15.30
41	7272062	61	110.1	125	225.72	30	49.33	155	275.05	120.05
		405	467.9	834	963.32	282	281.53	1116	1244.85	129.79
10	TRADE BRANCH A	780	758.2	1870	1819.68	1045	1078.73	2915	2898.41	84.05
20	TRADE BRANCH B	1650	1631.7	4290	4242.42	2580	2231.95	6870	6474.37	395.63
30	TRADE BRANCH C	1324	1280.0	3310	3200.00	1895	2017.51	5205	5217.51	232.51
40	TRADE BRANCH D	942	959.6	1885	1918.00	950	943.75	2835	2861.75	39.25
50	TRADE BRANCH E	631	652.0	1580	1630.00	870	891.15	2450	2521.15	71.15
	MAINT. DIV. SUMMARY	4696	4628.9	11355	11180.10	6470	6271.94	17825	17452.04	372.96
	UTIL. DIV. SUMMARY	631	652.0	1580	1630.00	870	891.15	2456	2521.15	71.15

NOTE: "cents" and decimal hours may be eliminated, if desired.

Tabulated Report B, Completed Job Orders

Figure V-16

using data from the Tab A report, for use throughout the department. The report displays and compares actual labor expended by labor class code for each trade branch with planned manhour expenditure for the branch for the month and year to date. It also summarizes labor expenditures for the combined Maintenance and Utilities Divisions. The report measures productive and overhead effort in manhours and compares it with acceptable percentages of distribution for each labor class code [Johnson, 1976]. A sample of the report is provided as Figure V-17.

7. Maintenance Cost Report

This report is prepared annually by the Authorized accounting Activity in the format of NAVCOMPT Form 2168. The report displays total cumulative costs for maintenance by each cost category, and shows all costs, either funded or unfunded.

The report is intended for higher authority; from it, claimants and NAVFAC can develop Navy-wide and total cost data to use as a basis for budgeting. The report is used at the EFD to compare unit costs and to evaluate budget submissions.

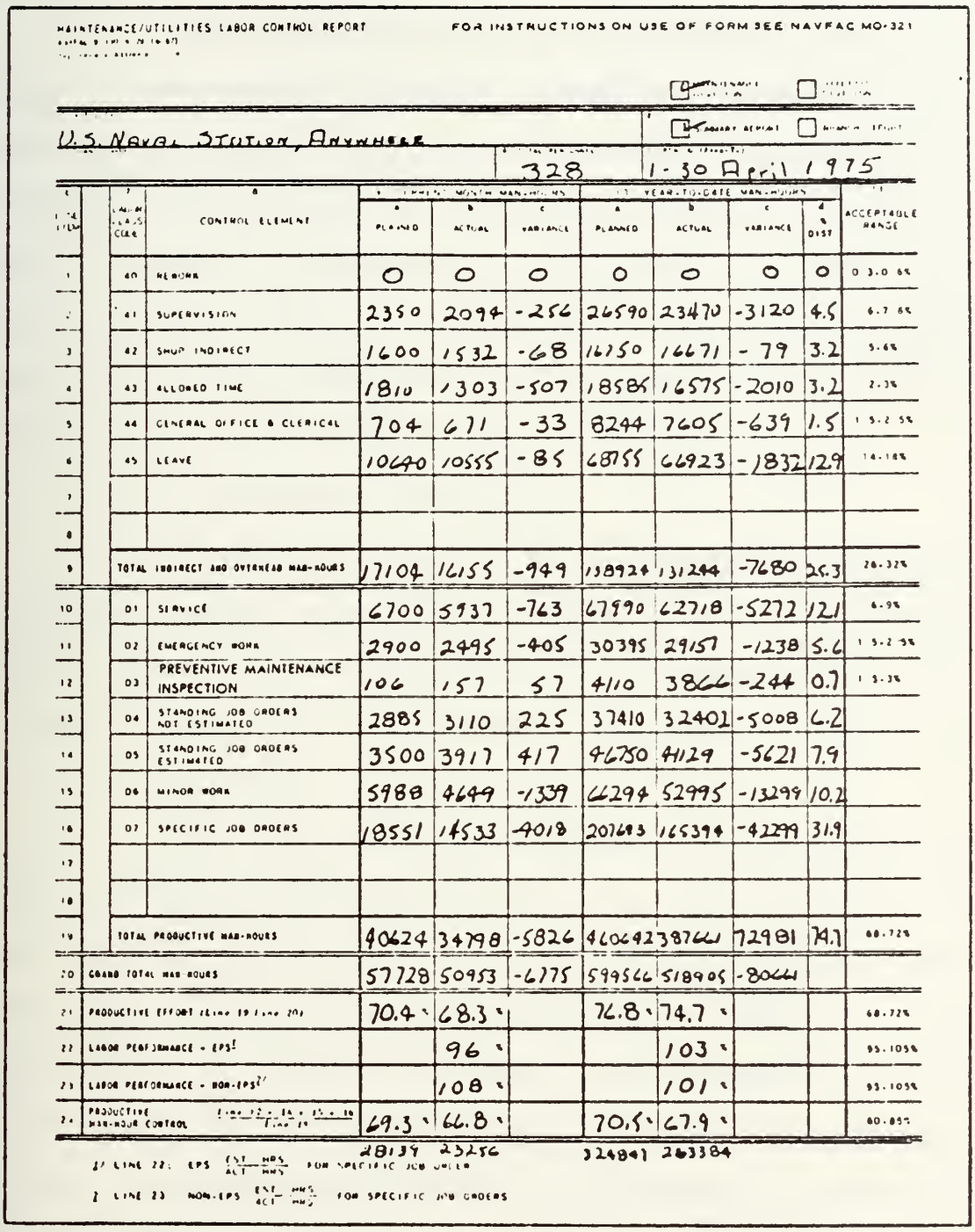
8. Fund Status Report

Usually on a quarterly basis the Comptroller prepares a local fund status report to advise department heads of fund expenditure status for the fiscal year to date.

9. Annual Inspection Summary

a. Purpose and Use

The Annual Inspection Summary is the basic input document used to compile the data necessary for CNO (OP-44)



MAINTENANCE/UTILITIES LABOR CONTROL REPORT — FOR INSTRUCTIONS ON USE OF FORM SEE NAVFAC MO-321

U.S. Naval Station, Anywhere — 328 — 1-30 April 1975

Line	Labor Class Code	Control Element	Current Month Man-Hours: Planned	Actual	Variance	Year-to-Date Man-Hours: Planned	Actual	Variance	% Dist	Acceptable Range
1	40	REWORK	0	0	0	0	0	0	0	0 3.0 6%
2	41	SUPERVISION	2350	2094	-256	26590	23470	-3120	4.5	6.7 6%
3	42	SHOP INDIRECT	1600	1532	-68	16750	16671	-79	3.2	5-6%
4	43	ALLOWED TIME	1810	1303	-507	18585	16575	-2010	3.2	2-3%
5	44	GENERAL OFFICE & CLERICAL	704	671	-33	8244	7605	-639	1.5	1 5-2 5%
6	45	LEAVE	10640	10555	-85	68755	66923	-1832	12.9	14-18%
7										
8										
9		TOTAL INDIRECT AND OVERHEAD MAN-HOURS	17104	16155	-949	138924	131294	-7680	25.3	28-32%
10	01	SERVICE	6700	5937	-763	67990	62718	-5272	12.1	6-9%
11	02	EMERGENCY WORK	2900	2495	-405	30395	29157	-1238	5.6	1 5-2 5%
12	03	PREVENTIVE MAINTENANCE INSPECTION	106	157	51	4110	3866	-244	0.7	1 5-3%
13	04	STANDING JOB ORDERS NOT ESTIMATED	2885	3110	225	37410	32401	-5008	6.2	
14	05	STANDING JOB ORDERS ESTIMATED	3500	3917	417	46750	41129	-5621	7.9	
15	06	MINOR WORK	5988	4649	-1339	66294	52995	-13299	10.2	
16	07	SPECIFIC JOB ORDERS	18551	14533	-4018	207693	165394	-42299	31.9	
17										
18										
19		TOTAL PRODUCTIVE MAN-HOURS	40624	34798	-5826	460642	387761	72981	74.1	68-72%
20	GRAND TOTAL MAN-HOURS		57728	50953	-6775	599566	519905	-80661		
21	PRODUCTIVE EFFORT (Line 19 / Line 20)		70.4 %	68.3 %		76.8 %	74.7 %			68-72%
22	LABOR PERFORMANCE - EPS[1]			96 %			103 %			95-105%
23	LABOR PERFORMANCE - NON-EPS[2]			108 %			101 %			95-105%
24	PRODUCTIVE MAN-HOUR CONTROL (Line 22 × 19 / Line 20)		69.3 %	66.8 %		70.5 %	67.9 %			68-72%
			28139	23256		324841	263384			

1/ LINE 22: EPS $\frac{\text{EST HRS}}{\text{ACT HRS}}$ FOR SPECIFIC JOB ORDERS

2 LINE 23 NON-EPS $\frac{\text{EST HRS}}{\text{ACT HRS}}$ FOR SPECIFIC JOB ORDERS

Labor Control Report (Maintenance/Utilities)

Figure V-17

to program funds for maintenance of real property (MRP) functions.

Each year the AISs are submitted by shore activities to their Major Claimants; the Major Claimants analyze these reports and provide OP-44 an overall assessment of the condition of facilities at their activities. At OPNAV, the Major Claimants' assessments are integrated into Navy objectives which are presented to the Shore Facilities Programming Board for review. Subsequent to CNO approval, the objectives become inputs to the MRP portion of the POM.

b. Investment Categories

In order to provide more meaningful information to decision makers, the AIS is divided into 18 groupings of similar facilities called investment categories (IC). A listing of investment categories is provided as Figure V-18.

c. Content

The AIS lists unfunded facility deficiencies by type, as of the end of the fiscal year. For those activities which have installed the Control Inspection Module of the PWSS, the AIS is prepared automatically by computer. At other activities, the report is prepared from maintenance and repair backlog data generated by the Shore Facilities Inspection System. Additional information is contained in NAVFAC MO-322 and OPNAVINST 11010.34.

d. Non-Deferrable Maintenance and Repair

AIS deficiencies must be evaluated to determine their importance. Those which have an adverse impact on the

IC #	INVESTMENT CATEGORY TITLE	CONSTRUCTION CATEGORY CODES	COST ACCOUNTS
01	Aviation Operation Facilities	111, 112, 113, 116, 121, 133, 134, 136, 141, 149	71LO, 71TO, 7320, 7330, 7550, 7560, 7570, 75SO
02	Communication Oper. Facilities	131, 132, 135 (132-55 and 135 not MRP)	71KO, 7530, 7540, 75MO
03	Waterfront Oper. Facilities	122, 151, 152, 153, 154, 155, 159, 161, 162, 163, 164, 165, 169	7210, 7220, 7230, 7240, 72C0, 7270, 7500
04	Other Operational Facilities	123, 126, 137, 138, 142, 143, 148	71MO, 7520, 75WO
05	Training Facilities	171, 179	7110, 7570
06	Aviation Maint/Production	211, 221	71UO, 75VO
07	Shipyard Maint/Production	213, 223	71VO, 7250, 7280, 7290, 72A0, 75Y0
08	Other Maint/Production	212, 214, 215, 216, 217, 218, 219, 222, 224, 225, 226, 227, 228, 229	7120, 75XO
09	RDT&E	310, 390	7130, 7580
10	POL Supply/Storage	124, 125, 411, 412	75AO
11	Ammo Supply/Storage	421, 423, 424, 425	71NO, 75BO, 75RO
12	Other Supply/Storage	431, 441, 451	7140, 71PO, 7340
13	Medical	510, 530, 540, 550	7150
14	Administrative	610, 620, 690	7160, 71RO, 75DO
15	Troop Housing/Messing	721, 722, 723, 724, 725	7170, 7180, 7190, 71AO, 71SO, 75EO
16	Other Personnel Support/Services	730, 740, 750, 760	71JO, 75GO
17	Utilities	811, 812, 813, 821, 822, 823, 824, 826, 827, 831, 832, 833, 841, 842, 843, 844, 845, 880, 890	75HO, 75JO, 75KO, 7610, 7620, 7630, 7640, 7650, 7660, 7670, 7680, 7690, 76AO, 76BO, 76CO, 76DO, 76EO, 76FO, 76GO, 76HO, 76IO, 76JO, 7710, 7720, 7730, 7740, 7750, 7760, 7770, 7780, 7790
18	Real Estate & Ground Structure	851, 852, 860, 871, 872, 910, 920	7310, 7350, 7410, 7430, 7440, 7510, 75LO

Investment Category Identification by Construction Category Codes and Cost Accounts

Figure V-18

mission capability of the activity, or those which have severe economic consequences if not corrected in the coming year are to be classified as items of non-deferrable maintenance and repair (NMAR), and should be identified as such on the AIS submittal. Other less important, though legitimate, discrepancies are listed, but not as items of NMAR.

AIS submittals must be accompanied by a written assessment of the consequences of the NMAR discrepancies, if not corrected in the coming year. These assessments are prepared for each investment category.

e. Format

There are three types of Annual Inspection Summary: Type A--for Navy owned and operated property; Type B--for Navy property outleased or declared surplus; and Type C--for contractor operated Navy industrial facilities.

The Type A AIS is prepared on four separate documents; copies of the forms are provided in Appendix B. The Type A Annual Inspection Summary Transmittal, OPNAV Form 11010/3, serves as a cover and transmittal sheet, and lists activity administrative data. The Type A AIS Uncorrected Facilities Deficiencies List, OPNAV Form 11010/4, lists all of the unfunded deficiency items and catalogs data on each deficiency, such as cost estimate, category code and deficiency code. A description of deficiency codes is provided as Figure V-19. The Type A AIS Report 1, OPNAV Form 11010/5 summarizes the deficiencies by facility investment category and deficiency code. The Type A AIS Report 2, OPNAV Form 11010/6 summarizes

Deficiency Code	Description	Type of Entry	Cost Limits	Submittal Requirements	Type of Project	Remarks
1.	Maintenance & Repair	Summation of Repair or Maintenance items for a single facility not included in Special Project for that facility	No Limitation	N/A	N/A	Items need not be accomplished as a single undertaking (Does not represent a concurrent requirament)
2.	Maintenance & Repair	Summation of Repair or Maintenance items for a single facility to be included in a Special Project	Over ALOF	Submitted or scheduled for submission as Special Project	M or R	Items to be accomplished as a single undertaking representing a single concurrant requirement
3.	Replacement of entire facility in lieu of repair	Summation of construction costs for a single facility	Under ALOF	N/A	N/A	
4.	Replacement of entire facility in lieu of repair	Summation of construction costs for a single facility	No Limitation, Provided Total Project Cost is Over ALOF	Submitted or scheduled for submission as Special Project or MILCON Project	C or P	If the Minor C or MILCON Project is for more than one building, the cost applicable to each building is to be shown
5.	Demolition or dismantling of entire facility no longer required	Summation of repair costs for a single facility	Under ALOF	N/A	N/A	Cost Account Number 7840 is applicable regardless of Category Code
6.	Demolition or dismantling of entire facility no longer required	Summation of repair costs for a single facility	Over ALOF	Submitted or scheduled for submission as Special Projects	R	Cost Account Number 7840 is applicable regardless of Category Code

ALOF – Activity's limit on funding
See OPNAVINST 11010.20C (Latest Edition) for Limits

N/A – Not Applicable

OPNAV 11010/6 BACK S/N 0107-LF-110-1030

Deficiency Codes

Figure V-19

deficiencies by the responsible funding source and deficiency codes.

F. MAINTENANCE BY CONTRACT

1. Commercial/Industrial Activities Review

a. Policy

Since the mid 1950s, it has been federal policy to contract for all work within the government that is not governmental in nature. In general, such work is referred to as commercial/industrial (C/I) activity and includes such things as facility maintenance, janitorial service, refuse collection, vehicle maintenance, and many more. This policy is formaized in Office of Management and Budget (OMB) Circular A-76, and for the Navy in NAVMATINST 4860.12. In addition, the instruction prescribes a formula to be used in determining the comparative in-house versus contract costs of Navy C/I functions. It also requires a cyclical review of these activities and lists considerations other than cost which can affect the analysis [CECOS, 1979].

In general, all work not governmental in nature is subject to the policy. Exceptions to the policy are: governmental activities (fiduciary or management discretion); military readiness activities; and those functions to which the program is not applicable.

The Navy will continue to perform in-house the basic functions of management necessary to maintain control over Navy programs.

b. Review of Functions

As a result of Executive and Congressional interest, the C/I program has undergone substantial changes in the 1979-1980 period, and final guidance has not been established as of February 1980. It appears that activities are required to inventory all C/I functions performed at the activity, review the functions to determine whether they are subject to the program exceptions, and finally, to conduct a contract/in-house cost comparison for applicable C/I functions.

Under the C/I review program, activities must subject functions presently performed in-house, functions presently contracted, and new starts to the evaluation process. Review of on-going functions is to be accomplished according to a three-year review schedule promulgated by NAVMAT via the Major Claimants and/or NAVFAC.

c. Firm Bid/Offer Procedure

The firm bid/offer procedure was designed to enhance the accuracy of comparative cost analyses through the requirement for an accurate, audited government estimate to be compared to a firm bid or offer from industry. This is accomplished through a solicitation which states that the government estimate will be placed in a sealed envelope to be opened at bid opening. The government estimate will be compared to the price offered by the lowest responsive and responsible bidder or lowest acceptable and responsible offeror. If the government estimate is more than 10 percent higher than the low bid, a contract will be awarded. If the

government estimate is lower or less than 10 percent higher, the procurement will be cancelled.

d. Problems

The C/I program is one which will have a significant impact on PWD operations; for this reason, the PWO and PWD managers must remain cognizant of the current status of the program.

Problems which may result from the contracting out of PWD functions are the loss of in-house capability, flexibility and direct management control. While the contract performance of work may initially be less costly than in-house performance, the PWO must be alert to the problem of a contractor bidding in low for the initial contract, and then raising prices in subsequent years after Navy civilian personnel have been released or reassigned.

2. Construction Contracts

Construction contracts may be used to accomplish one-time maintenance or repair jobs and specific projects, or to accomplish specific functions of a job in support of PWD forces.

3. Maintenance Service Contracts

a. Use

The maintenance service contract is used for performance of non-construction functions which are beyond the capability or capacity of the PWD, or which have been found more economically accomplished by contract. Examples of PWD tasks frequently accomplished under maintenance service

are refuse collection, janitorial service and grounds maintenance.

The provisions of maintenance service contracts differ from those of construction contracts, as do the forms upon which the contract is written. Information concerning contract documentation is provided in the chapter of this manual on contracts, and in NAVFAC P-68.

b. Administration

There is a significant administrative difference between construction and maintenance service contracts. Since PWD facility maintenance functions are an activity responsibility (rather than NAVFAC) funded by the O&M,N appropriation, the activity is responsible for inspecting and certifying contract work. The OICC organization does provide services such as advertising, award and payment processing, but it does not inspect or accept the work.

All maintenance service contracts over $2,500 must be competitively bid, and if under a specified dollar limit (for example, $3,000,000 for janitorial contracts) small business regulations apply unless an exception is granted. A commercial/industrial activities review must be conducted if the contract cost is over $100,000 [CECOS, 1979].

c. Problem Areas

Maintenance service contracts can be a source of problems for the PWD, particularly when functions formerly performed in-house are contracted out. A discussion of some of the key problem areas is provided in Appendix C.

4. Base Operating Support Services Contracts

The Base Operating Support Services (BOSS) contract--a concept utilized by the Army in Vietnam, by the Air Force at Vance Air Force Base, and by the Navy at Trident Support Base in Bangor, Washington and at Kings Bay, Georgia--is gaining importance as DOD personnel ceiling points become more scarce. The concept provides for contracting of all base operating services--supply services, computer support, fire protection and security, as well as public works services.

At Bangor, the contract was developed and awarded by NAVFAC. The base operating services contract is a fixed price incentive firm target (FPIF) contract. The specification is written to include three work elements: watch standing provisions, performance standards and specified levels of effort. The FPIF format provides for the government to pay a substantial percentage of costs above the target amount, and to share in cost savings below the target.

G. MAINTENANCE DEBATE

The facilities maintenance topic is surrounded by an endless variety of questions and a continuing debate. How much is enough; what level of maintenance; how much money? Where is the line drawn between preventive and breakdown maintenance? How important are life-cycle costs? How often can operations be shut down for planned maintenance that will avoid breakdown maintenance?

This chapter has not sought to answer all of these questions, but to discuss the NAVFAC program for maintenance management. The policies and procedures of this program must be shaped to the needs of each activity and each environment. The essential fact to be remembered by PWD personnel and by the PWO in particular is that the PWD exists to provide the facilities, utilities and services needed to carry out the activity mission. PWD programs and management actions must be developed around that fact.

The topics of maintenance and maintenance management are current subjects of discussion within NAVFAC and the Civil Engineer Corps. Discussion of several current topics of concern is provided in the four articles included as Appendix D.

(Booth, 1975)

PROGRAM OBJECTIVES FOR THE MAINTENANCE AND REPAIR OF REAL PROPERTY

This enclosure presents program objectives for the period FY 79-83 as approved by the CNO. They were derived in OPNAV from assessments of the condition of Navy facilities and the potential of that condition for impact on readiness. Major claimants are invited to comment on these objectives at any time. Claimants will be asked to discuss the objectives and propose revisions as appropriate during the meeting of the Shore Facilities Programming Board. (R

IC 01 Aviation Operational Facilities

O&MN - Increased emphasis should be placed on airfield pavement repairs to assure full availability under mobilization, maximum feasible flight safety conditions and substantial freedom from foreign object damage. Marginal conditions existing today would cause structural failure or unacceptable hazard to equipment and missions under wartime tempo.

NIF - Airfield pavement deficiencies at RDT&E facilities are outstripping the capacity of the individual activities to accrue NIF funds to initiate repairs. Major emphasis should be placed in this category to prevent mission impact on major aircraft and systems tests program. (R

IC 02 Communications Operational Facilities

No special emphasis required.

IC 03 Waterfront Operational Facilities

O&MN - A major increase in emphasis on repair of waterfront facilities is necessary. The potential for increased deterioration when small repairs are not accomplished on a timely basis must be recognized. Although many repairs are very costly the long term importance to readiness indicates that Navy waterfront facilities be upgraded. Properly maintained fleet moorings have a significant impact on fleet readiness and flexibility. Dredging requirements are especially critical, and advanced planning is now mandatory in order to accommodate the delays that may occur in the environment review process. (R

NIF - Serious deficiencies in this category will have impact on available berthing for industrial use and ammunition (R

PROGRAM OBJECTIVES
FOR THE MAINTENANCE AND REPAIR OF REAL PROPERTY
(CONT'D)

loading at shipyards and weapons stations. The problems are particularly sensitive at weapons stations with underutilized capacity. Special emphasis should be placed in this category to prevent deficiencies from deteriorating to a level which will make repairs from accrual impossible.

IC 04 Other Operational Facilities

No special emphasis required.

IC 05 Training Facilities

R) O&MN - Place sufficient emphasis on repair to training facilities to ensure that accelerated economic deterioration does not occur.

R) NIF - No special emphasis required.

IC 06 Aviation Maintenance and Production Facilities

R) No special emphasis required.

IC 07 Shipyard Maintenance and Production Facilities

R) No special emphasis required.

IC 08 Other Maintenance and Production Facilities

O&MN - No special emphasis required.

R) NIF - Significant backlog exists due to age of facilities and previous deferral of maintenance. Problem is most prevalent at PWCs and some ordnance facilities. Level of backlog has impact on the ability of activities to perform assigned mission. Sufficient emphasis should be placed to reduce backlog to a manageable level.

IC 09 RDT&E Facilities

No special emphasis required.

PROGRAM OBJECTIVES
FOR THE MAINTENANCE AND REPAIR OF REAL PROPERTY
(CONT'D)

IC 10 POL Supply and Storage Facilities

O&MN - Increased emphasis necessary to assure full availability during contingencies or mobilization.

NIF - No special emphasis required.

IC 11 Ammunition Supply and Storage Facilities

No special emphasis required.

IC 12 Other Supply and Storage

O&MN - Increased emphasis desirable with special emphasis on roof conditions.

NIF - No special emphasis required.

IC 13 - Medical Facilities

O&MN - Place increased emphasis on routine maintenance funding levels in order to prevent accelerated deterioration of facilities.

NIF - No special emphasis required.

IC 14 Administrative Facilities

No special emphasis required.

IC 15 Troop Housing and Messing Facilities

O&MN - Increased emphasis is required to provide clear evidence of Navy's commitment to improving the livability of bachelor housing and messing facilities. These conditions directly affect morale and performance. Effective use of O&MN funds for maintenance and repair can significantly enhance living conditions, even in those cases where new construction through MILCON may ultimately be required.

NIF - No special emphasis required.

PROGRAM OBJECTIVES
FOR THE MAINTENANCE AND REPAIR OF REAL PROPERTY
(CONT'D)

IC 16 Other Personnel Support Facilities

O&MN - Special emphasis required in locations where such facilities are of particular importance to the maintenance of a wholesome environment and to morale. The importance of the condition of chapels and religious education facilities on the effectiveness of Navy religious programs must be recognized.

NIF - No special emphasis required.

IC 17 Utilities

O&MN - Major emphasis is required throughout the shore establishment with particular concern for support of fleet units, production facilities and naval communications and for strengthening Navy's energy conservation initiatives.

NIF - Severe problems exist in all areas of utilities at all NIF locations which have potential for serious mission impact. The problem is so severe that the backlog total for NIF activities in this IC is the highest of all ICs for all fund sources. Problems are due to age, climatic deterioration, over usage, and past failure to accure sufficient resources. Many systems are so deteriorated that complete replacements through the MCON funding route are the only possible solution. Major emphasis should be placed in this category to prevent serious mission degradation throughout the NIF establishment.

IC 18 Real Estate and Ground Structures

O&MN - Place increased emphasis in order to eliminate accelerated deterioration of roads and railroad tracks.

NIF - No special emphasis required.

TYPE A ANNUAL INSPECTION SUMMARY TRANSMITTAL

OPNAV 11010/3 (3-77)
S/N 0107-LF-110-1015

REPORT SYMBOL OPNAV 11B

Instructions for completing form are contained in NAVFAC MO-322 Vol. I

1. FROM All facilities inspected are in satisfactory condition except those listed on Form NAVFAC 11011/62 having deficiencies that require correction during the current fiscal year and are not funded as of the cut-off date of the Annual Inspection Summary. DATE BY DIRECTION	2 TO	8 ACTIVITY	
	3. VIA	9 FOR PERIOD ENDING	10 FISCAL YEAR
	4 EFD	11 COPIES TO	12 INSPECTED BY ☐ ACTIVITY ☐ CONTRACTOR ☐ E F D ☐ JOINT VE CONTRACTOR/AE ☐ OTHER
	5 NAVAL DISTRICT CODE		
	6 UIC / 7 ACTIVITY CODE		

13 FACILITIES NOT INSPECTED	14 REASON	15 DATE OF PREVIOUS INSPECTION	16 APPROX MTH DATE OF NEXT INSPECTION

17. FIRST ENDORSEMENT

FROM:

DATE:

Comments

BY DIRECTION

Type A Annual Inspection Summary, Transmittal

TYPE A ANNUAL INSPECTION SUMMARY
UNCORRECTED FACILITIES DEFICIENCIES

DO NOT exceed maximum number of characters assigned per field.
Additional instructions for completing this form are contained in OPNAVINST 11010.34

OPNAV 11010/4 (3-77) S/N 0107-LF-110-1020 — REPORT SYMBOL OPNAV 11010-9

1 ACTIVITY (Name and Location): NAVSTA PHOENIX, AR
2 UIC (8 1 8): N01234 00
3 PERIOD ENDING (6 9-14): 01 03 77
4 PREPARED BY (Name, activity, commercial phone number): Smith, Alfred R. 123-4567/(602) 765-4321
5 SHEET 1 OF 3

6 DESCRIPTION	7 LINE NUMBER (4)	8 FACILITY NUMBER (10)	9 PROJECT NUMBER (6)	10 MESP FUND SOURCE (4)	11 CATEGORY CODE (5)	12 FC NO (2)	13 COST ACCT NO (6)	14 DATE LAST INSPECTED (4)	15 DATE DEF FIRST REPORTED (4)	16 D C (1)	17 COST ESTIMATE (10)	18 DATE OF LAST EST OF COST (4)	19 MAJOR CLAIMANT USE ONLY (1)
Repairs to Taxiway	0001	12L14		1804	11210	01	7330	1176	0674	1	21,000	1276	
Repairs - Structural ($3,000), Mech.	0002	125		1804	21105	06	7100	1274	1274	1	44,000	0277	
($14,000), Elect. ($7,000)													
Repairs to Roof ($11,000), Painting	0003	201		1804	44110	12	7140	0675	0675	1	19,000	0277	
($6,000), Mech. ($21,000)													
(Split Funded Cost)	0004	201		4912	44110	12	7140	0675	0675	1	19,000	0277	
Repair Station Roads	0005	Roads		1804	85110	18	7310	0177	1173	1	14,000	0177	
Repairs to Pier Piling	0006	Pier 2	R12-74	1804	15120	03	7220	1276	0374	2	1,340,000	1276	
Repairs to Quaywall	0007	Quaywall	R3-75	1804	15420	03	7230	0575	0575	2	272,000	0675	
Repairs to A/C System	0008	56	R6-72	1804	61010	14	7160	1076	1171	2	72,000	1076	
Replace Cable House	0009	23		1804	13110	02	71K0	0476	0476	3	14,000	0576	
Replace Fuel Pier	0010	2	P-120	1205	15140	03	7220	0475	0173	4	4,100,000	0675	
Replace Garage	0011	133	C3-76	1804	72340	15	7190	0375	0175	4	62,000	0675	
Replace BEQ Detachment	0012	172	P-117	1205	72510	15	71S0	0375	0175	4	125,000	0675	
Demolish Building	0013	93		1804	74070	16	7840	0274	0274	5	20,000	0277	
Demolish Hangar	0014	546	R4-70	1804	21120	01	7840	0969	0967	6	140,000	0277	

Type A Annual Inspection Summary
Uncorrected Facilities Deficiencies

TYPE A ANNUAL INSPECTION SUMMARY REPORT 1

OPNAV 11010/6 (3-77) S/N 0107-LF 110-1025 — REPORT SYMBOL OPNAV 11010-9

1. ACTIVITY (Name and Location)	2. U.I.C.	3. PERIOD ENDING	4. MAJOR CLAIMANT
NAVSTA PHOENIX AR	N0123400	010377	CINCPACFLT
			5. FUNDING SOURCE: 1804

6. I.C. NO.	7. INVESTMENT CATEGORY DESCRIPTION	8. DEFICIENCY CODES TOTALS	
		1	2
1	AVIATION OPERATION FACILITIES	$ 21,000	$
2	COMMUNICATIONS OPERATION FACILITIES		
3	WATERFRONT OPERATION FACILITIES		1,612,000
4	OTHER OPERATIONAL FACILITIES		
5	TRAINING FACILITIES		
6	AVIATION MAINTENANCE/PRODUCTION	44,000	
7	SHIPYARD MAINTENANCE/PRODUCTION		
8	OTHER MAINTENANCE/PRODUCTION		
9	RESEARCH, DEVELOPMENT, TEST & EVALUATION		
10	POL SUPPLY/STORAGE		
11	AMMUNITION SUPPLY/STORAGE		
12	OTHER SUPPLY/STORAGE	19,000	
13	MEDICAL		
14	ADMINISTRATIVE		72,000
15	TROOP HOUSING/MESSING FACILITIES		
16	OTHER PERSONNEL SUPPLY & SERVICES		
17	UTILITIES		
18	REAL ESTATE AND GROUND STRUCTURES	14,000	
	SUBTOTAL	$ 98,000	$ 1,684,000
	GRAND TOTAL	9. $ 1,782,000	

Type A Annual Inspection Summary, Report 1

TYPE A ANNUAL INSPECTION SUMMARY REPORT 2

Refer to table on reverse for explanation and description of deficiency codes

OPNAV 11010/8 (3-77) S/N 0107-LF-110-1030 — REPORT SYMBOL OPNAV 11010-8

1. ACTIVITY *(Name and Location)*	2. U.I.C.	3. MAJOR CLAIMANT	4. PERIOD ENDING
NAVSTA PHOENIX AR	N0123400	CINCPACFLT	010377

5. RESPONSIBLE FUNDING SOURCE AND DESCRIPTION	6. DEFICIENCY CODES SUBTOTALS							7. TOTAL COST (1 thru 6)
	1	2	1 & 2 Subtotals	3	4	5	6	
MILITARY CONSTRUCTION, NAVY (1205)					4,225,000			4,225,000
MILITARY CONSTRUCTION, NAVAL RESERVE (1235)								
RDT&E, NAVY (1319)								
OPERATIONS & MAINTENANCE, NAVY (1804)	98,000	1,684,000	1,782,000	14,000	62,000	20,000	140,000	2,018,000
OPERATIONS & MAINTENANCE, NAVAL RESERVE (1806)								
NAVY INDUSTRIAL FUND (4912)	19,000		19,000					19,000
OVERHEAD (9500)								
NONAPPROPRIATED FUNDS (9999)								
TOTALS	117,000	1,684,000	1,801,000	14,000	4,287,000	20,000	140,000	6,262,000

Type A Annual Inspection Summary, Report 2

MAINTENANCE SERVICE CONTRACTING-- Friend or Foe?

by

LCDR J. H. T. Miles, CEC

USN

P.E., S. C.

Assistant Director
Facilities Management Department

● El Toro, Calif.

Almost to the man Public Works Officers (PWO) at Navy and Marine Corps activities find themselves using to some degree a maintenace service contract to accomplish facilities maintenance functions. The degree of that use varies from activity to activity and from location to location.

How much customer satisfaction is associated with maintenance service contracting? It depends on who is asked for an opinion. Like the degree of usage, the satisfaction with the contractor performance varies from PWO to PWO and reflects each officer's own unique set of circumstances.

The 1970s are a period marked by the steady increase in both the number of service contracts and the total annual dollar volume spent on these contracts. Principal reason for the increased use has been the reduction of the U.S. Armed Forces following the Vietnam war. As in similar post-war periods, the number of men in uniform and the material inventory has been substantially reduced. Likewise, the number of military establishments and civilian employees have seen a steady downward trend. Even closer to home, the Civil Engineer Corps officer strength of the Navy has been reduced by approximately 30% since the peak of the Vietnam war. It is not surprising that numbers of the civilian personnel of the Public Works departments have been reduced as well.

As is generally the case with such reductions, personnel strengths are reduced significantly faster than the functions they provide. Said another way, the people are gone but the functions remain. It follows that a very logical method for accomplishing those remaining maintenance functions is through the maintenance service contract.

In addition to the peaks and valleys in Department of Defense strengths precipitated by armed conflict, there is yet another agency-level force which has substantial influence on the utilization of the maintenance service contract. In 1966 the Office of Manpower and Budget (OMB) issued a policy directive, Circular Number A-76, which essentially stat-

ed that *the agencies of the Federal government will rely on the private sector to supply their needs.* In effect, the Federal government desires to contract with private enterprise to the maximum extent possible for the goods and services it requires. To implement this policy, OMB accompanied its directive with an analysis apparatus requiring Federal agencies to routinely examine over 100 different commercial and industrial products or services, and determine if they qualify as an in-house function or if they should be acquired by contract. This analysis apparatus is known as the Commercial/Industrial review process and is the counterpart to what is recognized by the private sector as the 'make or buy' decision. A number of the products or services is provided by activity Public Works Departments or Navy Public Works Centers. The commercial/industrial review system has had a net effect of facilitating contracting out for many Public Works-type functions.

"...the people are gone but the functions remain..."

The maintenance service contract, or the service contract, in reality, amounts to an extension of the resources of the Public Works officer. A central issue in the debate surrounding the usefulness and effectiveness of the service contract is whether or not the Public Works officer is provided with an extension of his span of control commensurate with his expansion of resources. Do the established procedures for procurement and administration of the service contract give the Public Works officer the necessary tools to select and manage contractor effort in a way that compares favorably, both economically and qualitatively, to accomplishing the same function in-house?

A recent study of twenty-five Navy and Marine Corps activities in the Continental United States revealed that all of them use the maintenance service contract to accomplish various functions. The study was to investigate whether some factors which were judged to be influential in service contractor performance at one activity were, in fact, similarly influential at other activities.

The information was gathered through the use of a questionnaire completed at the twenty-plus activities by the Public Works officer or someone occupying a level of departmental visibility similar to that of the Public Works officer.

The influencing factors, or parameters, investigated are described generally as:

- Service Contract administration organization
- Armed Services Procurement Regulations (ASPR) requirement for low bidder award
- Quality of the contract documents
- Geographical location of activity

The conclusions reached by the study are described for each of the four in influencing factors.

Service Contract Administration

The service contract, unlike the construction contract, requires a slight modification of contract administration responsibilities. The Naval Facilities Engineering Command (NAVFAC) administers construction contracts for the Navy and Marine Corps through its various Engineering Field Divisions and officers-in-charge of construction (OICCs and ROICCs). For these services, the NAVFAC organization is reimbursed by the Navy or Marine Corps command sponsoring the construction. Construction management services rendered under this concept involve the total spectrum of contract administration including advertising and awarding the contract, inspecting and certifying the work, initiating progress payments to contractors, and effecting change orders.

The same NAVFAC organization provides contract administration services for the maintenance service contract; however, these services are

"...the service contract...amounts to an extension of the PW resources."

not quite the same, and that difference could very well be a factor related to lethargic organizational adjustments and reallocation of resources at the activity level. Essentially, the difference lies in the fact that base facilities maintenance is an activity responsibility paid for by Operating and Maintenance (O&M) dollars. The activity, therefore, has the responsibility for inspecting and certifying that work which is accomplished by the maintenance service contract.

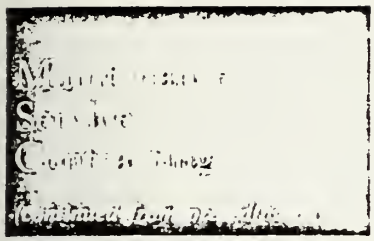
The local OICC organization does provide certain other services such as advertising, award, and progress payments, but does not inspect the work or certify that it has been done for payment purposes. The OICC and NAVFAC organizations do not have the responsibility for these functions nor are they staffed to do it.

Many maintenance service contracts have their genesis with the commercial/industrial review process which determines that "contracting out" is less costly to the government than providing the same service in-house.

In most cases, the reality of converting a function from in-house to contract does not preserve necessary personnel billets which can be redesignated and reassigned to pick up the additional inspection and the work certification requirements the activity has gained by turning to the Maintenance Service Contract.

At one activity, over the five year period investigated, the service contract volume increased to approximately a dozen different contracts and an annual dollar volume exceeding $500,000. During this same time, no formal organizational commitment was made to establish an adequate inspection force. Some

(continued next page)



inspection efforts were made over these years, but principally it was after a contract was in trouble. The resulting inspection was not carried out by personnel specifically and organizationally defined for that purpose.

It appears that failure to allocate resources so that inspector billets realized a commensurate increase with the number of service contracts was a rarity; if it happened at all. Because the responsibility for inspection and work certification is retained by the activity, proper personnel allowance modification must necessarily take place if total effective service contract administration is to be realized. The proper time for this identification and reallocation is at the time the decision is made to contract for a service rather than do it in-house. Further, the responsibility for this identification is with the activity conducting the C/I review and for whom the service contractor will provide services.

The commercial/industrial review process does not preclude the activities making such identifications but current procedures do make it easy for the analyst to ignore such real world factors as the inspection requirement inherent in contracting out for services.

Extreme dissatisfaction with contractor performance can possibly be avoided simply by not falling into the trap of ignoring a requirement for increased in-house inspection effort with each increase in the utilization of the Service Contract.

ASPR Requirement For Low Bidder

The Defense Acquisition Regulations (DAR) and its derivative, NAVFAC P-68, requires that formally advertised contracts be awarded to the low conforming responsible bidder. Formally advertised contracts are applicable to the maintenance service contract as well as to construction and other varieties of procurement contracts.

The low bidder award policy has long been an area of criticism relative to government procurement procedures. The regulations do, in fact, contain all of the rhetoric and direction that guide the contracting officer to a determination of the "low conforming responsible bidder." However, the realities of implementing these rules and regulations for such determination produce, all too often, an award to the contractor who is in fact the low bidder, but who is not necessarily conforming or responsible. Determination of a conforming and responsible bidder is, to be sure, a science that is less than precise.

Compliance with the ASPR's mandate for a low bidder award in the service contract area seemingly produces a preponderance of "low bidders" who are neither conforming nor responsible but who, nevertheless, get the award based on the low bid criterion.

Many reasons could contribute to this condition but in general the maintenance service contractor population contains fewer capital resources, less managerial talent, and a larger portion of workers identified with lower skill levels. Bidders drawn from such a population increase the probability of being trapped by the low bidder regulation and thereby being stuck with the contractor who either cannot perform or who will not perform once a money-losing situation becomes obvious to him. In such a situation both contractor and government lose.

The unfortunate part is that, in many cases, pre-award judgment on a contractor's ability to perform or not perform can be made with some degree of confidence. However, the simple determination that he cannot perform, at least in the OICC's judgment, is not grounds for selecting the next higher bidder. Documenting evidence sufficient to disqualify a contractor requires such a mountain of paperwork and administrative red tape, that most OICC offices are not capable of handling it. The result is that the low bidder wins again, and the government will end up getting less than it bargained for.

One indicator by which a contracting officer may judge a contractor's ability to perform, is a cost comparison between the contractor's bid price and the government estimate. Each formally advertised contract is accompanied by a government estimate, although that estimate is not available to potential bidders. In some cases, the low bidder has bid a price which is less than 50 percent of the government estimate. This does not mean that the government estimate is sacrosanct — government estimating can be and will be wrong too on occasion. In many instances it is conservative, but in most all cases it is based on estimates for all things which are required by the contract, including such things as required labor rates, paid holidays and insurance, as well as the items of work to be provided.

Bid estimates substantially lower than the government estimate give cause to suspect the bidder for a myriad of potential reasons: he does not understand the scope of the work; he does not have an effective method for estimating costs to do all of the required work; he intends to recoup with change orders after the award; or he does not plan to do all of the work for which he is paid. All of these potential reasons are cause to question the ability of the contractor, but they are not grounds on which his bid can be rejected after it has been confirmed. Once under contract, the means by which he will attempt to recover from a too low bid will begin to be identified. Whatever means he chooses will be less than satisfactory to the contracting officer or the customer receiving the services.

"... the government will end up getting less than it bargained for."

It would seem that some modifications of the ASPR's surrounding the low-bidder concept are long overdue. It would also seem that such modifi-

cations should include provisions for permitting the local contracting officer to be more selective in his solicitation of potential bidders, have more authority in accepting or rejecting bidders, have more flexibility in negotiating contracts, and have more flexibility in awarding contracts which are formally advertised and competitively bid.

Quality of Contract Documents

The conclusions reached in the study relative to this factor indicate that there is widespread belief that preparation of a quality contract document aids in the realization of a better quality of work from the service contractor. While a quality contract document is not a panacea for solving all of the problems associated with maintenance service contracting, it does establish conditions under which extracting quality performance from a contractor is made easier.

This, of course, assumes that the potential for quality performance is already there. The contractor and contracting officer's jobs are indeed easier and more productive if the purchased services and the conditions under which they are to be performed are well defined for all.

The preparation of the contract document or documents is an activity-level responsibility; and as a result this facet of service contracting is another area where the activity can help itself. The Public Works Officer is definitely in an advantageous position if he has within his organization an individual or individuals who can produce a quality set of maintenance service contract specifications. By not maintaining such a capability, the PWO is denying himself the ability to locally influence his maintenance service contracting effort.

Additionally, NAVFAC P-34 contains maintenance service-types of specifications which give the activity-level specification writer a head start in getting a quality document.

Population Density

A fourth factor considered in the study was the contribution to the performance of maintenance service contractors made by the size and composition of the metropolitan areas surrounding the military installation. In other words, a large metropolitan area, such as Los Angeles, may, according to the presumption, contain a high density of potential service contractors. If such is the case, this condition could very well intensify the competition to the point where the low bidder would in most cases have a bid lower than his costs for doing the work called for by the contract.

In most cases a contractor finding himself in such a situation, for whatever reason, would choose first to maintain his solvency and gamble on how little work he could do while continuing to get paid for it. The Public Works officers opinions collected relative to this factor did not support the contention that the character and size of the population surrounding the activity contributed in any significant quantity to service contractor performance.

> "... large metropolitan area could ... density ... location ..."

The study referred to examined, among other things, four factors which were thought to have some influence on the performance of maintenance service contractors at one Marine Corps Air Station and possibly at other Navy-Marine Corps activities. Certain conclusions were reached and have been described above. There are, no doubt, other factors which could be equally as influential as those discussed and they should be identified and examined as resources and conditions permit. The case too often, however, is that resources and conditions do *not* permit.

For those activity PWOs and OICCs who happen to be in such an

> "... contracting ... is less costly to government ..."

environment or for those who are completely new to the service contracting game, the following short 'shots' may assist in avoiding unnecessary heartburn and tribulation with this type of federal procurement.

- Prior to going forward with a service contract, identify the necessary staffing for inspection and work certification.
- Ensure station personnel performing inspection and work certification functions are properly interfaced with the OICC organization.
- Prepare a sound contract document package.
- Involve the customer in contract document preparation and review.
- Involve the OICC/ROICC staff in contract document review process.
- Anticipate and expect some problems early after contract award.
- Utilize one year extension provision for contractors who are deserving.
- Investigate consolidation of contracts which provide similar or like functions.
- Utilize requirements for bonding.
- Don't avoid change orders if they are required.

Expanding utilization of the maintenance service contract is a fact of life within the Department of Defense and it becomes a bigger and bigger business each day. The magnitude of this business mandates more managerial attention than it has received in the recent past. It likewise requires innovation and additional exploration if the maintenance service contract is to be a viable and cost effective tool for accomplishing base maintenance functions. □

Is There Man or Beast in MAINTENANCE MANAGEMENT ???

by
William C. Hall, P.E.
Head, Engineering and Facilities Planning Branch, Naval Ship Research and Development Center
• Annapolis, Md.

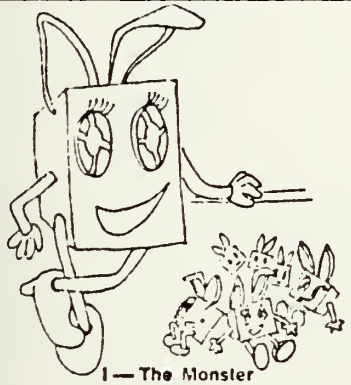
Are we really managing maintenance?

Are managers today as smart as they used to be?

These questions were put to me the other day by one my employees and it caused me to stop and think. The two questions are certainly related and to answer one you have to answer the other. Our managers today *are* just as smart as prior ones but the problem is that *they are not managing as well as they should*. This brings up the question why? What factors are limiting the maintenance manager in managing well? There are possibly four major factors, which we will affectionately nickname as follows:

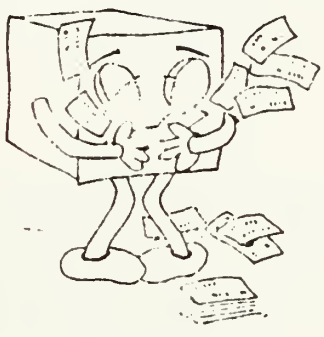
The Maintenance Management *Monster*
The Maintenance Management *Machine age*
The Maintenance Management *Monotony*
The Maintenance Management *Manacle*

Now — what is the definition of "managing"? Funk and Wagnall says that to manage is to control, direct or regulate. Keeping this in mind, let's consider each of the four factors above as it pertains to managing maintenance in the Navy.



I — The Monster

Maintenance management is relatively young in the Navy, having received its first big push in the early '50s. As any science or art grows and matures, it tends to become more and more complex. Many different people contribute to its growth and development, and consequently the principles, procedures and techniques multiply rapidly. Each contributor has his own ideas; eventually the field activity maintenance manager is perplexed and confused. He has become so buried in paper work that he is overwhelmed by it.



II — The Machine Age

By *machine age*, I mean the basic trend to rely more and more on technology for the solution of maintenance management problems. We expect the computer to do our work for us. Let's not forget that the first syllable of management is *man*. Computer readouts and/or IBM reports can only *assist* us to manage; they do not manage for us. However, more and more, the trend is to depend on bigger and better computers to put out bigger and better reports which mean absolutely nothing to any of us, and which control our maintenance not one iota.

The next question is "What can we do to eliminate, reduce or consolidate these four factors in order to streamline our maintenance management program in an effort to save the taxpayer (you and I) some money?"

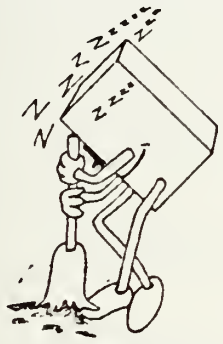
At first glance there appears to be several things we can do, such as: reducing the "paper mill"; organizing for efficiency; and managing properly.

As I stated before — maintenance and maintenance controls cannot be standardized at the many varied naval activities. This is a rather drastic statement, but it is one that has concerned me for quite some time. Having worked on maintenance control for the Navy, (both as an officer and a civilian), as a maintenance management consultant and in private industries' maintenance programs, I am firmly convinced that maintenance management depends solely on the background, knowledge and ability of personnel running the maintenance program. We can write instruction after instruction; manual after manual; receive, prepare, and submit report after report; but unless there are capable people in the maintenance organization these things mean absolutely nothing. Standards are fine but they should be used only as guides or as new and possibly better ideas to be established, and *not* as the absolute law which *everyone* should be forced to adhere to. Let's look at the three proposed alternatives individually.

Reducing Paper Mill

The paper work generated at many Navy activities sometimes becomes so routine as to become boring and bothersome; as a result, much of it is meaningless. Each activity (or type of activity) should be able to develop and establish its own control methods, from which comparison and the effectiveness of the maintenance program can be measured. These methods can be approved by the management bureau, if desired, but the bureau should not attempt to dictate them. The important thing is that once a suitable measurement unit has been established, it should be used on the same basis each month so that a fair comparison can be made and a good determination of the effectiveness can be obtained.

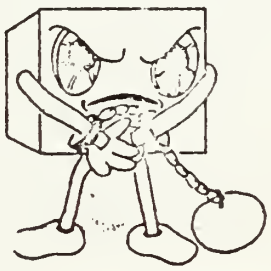
It has been my experience that there are three basic



III — The Monotony

Maintenance, just by the nature of the beast, is monotonous work. Because of this, it tends to become boring to a manager and, consequently, he tends to lose interest or direct his attention to other more exciting or lucrative work.

Variety is the spice of life — so the saying goes. Why not add some spice to the maintenance program? Let the shops do some alterations and improvement-type work occasionally. Let them have the feeling that they are accomplishing something.



IV — The Manacle

By their insisting on certain management reports, procedures and techniques, our hands are pretty well tied by the policies handed down by NAVFAC, the field divisions, and management bureaus and sponsors. No one can standardize maintenance nor maintenance control. Each activity should be given enough latitude to develop its own standards, procedures, reports, etc., with final approval resting with the management bureau.

areas common to most Naval activities in their public works department or maintenance functions and to which measurement can be applied. These areas are: planning, work load, and cost.

Planning includes all the control activities preceding the work and is basically an administrative function. Are planning and estimating necessary? Yes. It is definitely desirable to have a work request system which can serve as a record of work accomplished, if nothing else. Most P and E and maintenance control divisions appear to be overstaffed, however, and are encumbered by the Engineering Performance Standards (EPS), Universal Maintenance Standards (UMS) or other type standards. These are fine, and I feel every P and E should know how to use them and how they were derived, but they are very cumbersome and time-consuming for most types of work done by the maintenance shops. Again we're back to the personnel involved. A good P and E can do a better job of planning and estimating the work to be accomplished without the use of EPS, etc. (Incidentally, most of the EPS manuals have not been kept up to date with the latest methods, machines nor materials, so they are out-dated and virtually useless.)

With the number of maintenance people available, only so much work can be accomplished within a year. Based on the total mandays of work that a P & E group can produce per day (and this varies greatly with the individual P & E and the type of work being estimated), the P & E staff size should be related to maintenance staff number. It should not be staffed to take care of anticipated sick or annual leave. During these periods, if necessary, someone should be brought up from the shops to perform the work. What better way than this to train for the future P and E staff.

Units that can be used in measuring the effectiveness of planning and estimating functions are:

(1) Percentage of emergency work (total man hours)
(2) Overtime work — percent — (overtime hours vs. total hours)
(3) Labor effectiveness — % time working — by work sampling
(4) Man hours of planned and scheduled work per month

Work Load includes everything covering the actual work

Man or Beast

Continued from preceding page

load in the shops and how it is executed. Again, the work accomplished is directly proportional to the personnel involved — particularly the shop supervisors. Most shop supervisors I have seen are not properly indoctrinated into the "big picture". They are not cost-conscious. A typical example is when a man is sent out to repair a drinking fountain. He knows that the fountain is beyond economical repair and so indicates on the work request. Yet he will charge 2 or 3 hours to a repair which will require further repair in a week or two rather than spend that 2 hours replacing the fountain. I have seen many such examples — from doors and windows to motors.

Measuring units for work load includes such items as:

(1) Shop days of current backlog (work in shops)
(2) Estimated shop days of backlog of work not issued
(3) Percentage of total man hours per week for maintenance work
(4) Percentage of total man hours per month for operator maintenance and preventive maintenance
(5) Percentage of total man hours per month for non-maintenance type work (i.e., construction, relocations, etc.)

Cost includes the various items that indicate trends in the cost. It indicates how much it is costing the maintenance division to handle the planning, control the work load, and provide necessary services to the plant. There are many units that can be used to measure the cost. Some of these are:

(1) Maintenance cost as percentage of fixed assets. Fixed assets includes buildings, equipment and facilities, but does not include land. Actual or replacement cost can be used as long as you are consistent.
(2) Percent increase or decrease in maintenance cost per 1000 sq. ft. (or other appropriate unit — acres, lineal feet, etc.). Use a base period of average of preceding two years. The maintenance cost must be adjusted by the maintenance index to the base period for changes in labor and material prices.
(3) Maintenance cost per Kilowatt-hour.

How about all those reports we prepare for the field division, NAVFAC, and/or our management bureau? Have you really tried to find out how many are really used and serve a truly useful purpose? Try it! Ask yourself what you would do with a particular report if you were at a higher level. Or better yet, stop submitting a routine report and see how long it takes before you are questioned about it. Think of the time that could be put to use *managing* if you did not have to submit certain reports.

In the years that I have been in my present position, we have cut the number of people in our branch from 21 to 14 — a 33% reduction. Some of these were by attrition, transfers, forced retirements, etc., but the important thing is that when they left we took a long hard look to see if their functions could be performed elsewhere. In most cases, they could. Our service organization has roughly 200 shop workers including a very large machine shop doing industrial type work (all planned and estimated). We have four P & E's (machinist, electrical, structural and pipefitting). When we lost 3 of our 4 inspectors (who did both contract and continuous inspection), we assigned continuous inspection to the P & E's. A simple form is used for reporting discrepancies. This form also provides most of the information for the annual inspection summary.

We have combined the functions of maintenance control director and engineering branch manager into one position. This provides much better coordination among contract and shop work and better overall control of priority type work.

We have only one girl in our branch who serves as my secretary, T S' clerk, budget clerk, telephone clerk and clerk for P & E's, inspectors and engineers.

Work load has remained fairly constant and we still get out the job orders and contracts without any major problems. Other areas of normal public works departments can also be combined with more efficiency.

Managing Properly

Managing consists basically of the following:

(1) Keeping informed as to what is going on in your branch, department, division or activity.
(2) Developing plans based on this information which give direction toward your progress.
(3) Guiding actions of others so that the planned goals are achieved.
(4) Follow up to see that things are going as planned — back to step 1 again.

We cannot continue to do something because we've always done it in the past. The good old days are gone. Nor can we look ahead and hope that things will change and all our problems will be solved. We are living in the present. We must be realistic.

As Dr. E. Stanley Jones, a great religious leader, once philosophized: "The reason why so many old people live in the past is that they have ceased to be creative in the present. So they turn to reminiscing as mental compensation for lack of creative activity now. The old person who is creative does not turn to the past except for reference, for he belongs to the present and the future. The man who is driving a car looks into the mirror to see what is behind while he forges ahead. So we must look into the past as in a mirror while we forge ahead into the present and the future. To glance at the past to learn its lessons is wisdom; to gaze at the past and to try to live in it is folly . . .

"The opposite of a flight into the past is a flight into the future. Perhaps there is no past to boast over and the present is frustrated, then many fly into the future and try to live there as mental compensation for not being able to produce the goods in the present. They are the grandiose dreamers who are always going to — they never do. They are the impractical dreamers who don't touch the present for they are too busy with the future. The present is messy — the future is glorious, so they try to live in it. They live in the never-never land of projected dreams. They have no roots in the present, so they bring forth no fruits in the present — they are parasites on the present as they live in the future. But the flight from today and its problems brings its nemesis — the dreamers about tomorrow who do nothing about today invariably live in a tangled today, for they have increased its tangles."

This, I believe, is very appropriate for us managers. Yesterday is history, tomorrow a dream, today reality.

We should all be managing properly — now — today. Let's help stamp out the monster, the machine age, the monotony and the manacle from maintenance management. Let's put the *man* back in management.

A rebuttal

Maintenance Management

William C. Hall, P.E., wrote in the Summer, 1974, issue of Navy Civil Engineer on the problems of maintenance management. In the article, he identified four "possibly major factors" limiting the maintenance manager in maintaining properly.

These four factors were the "maintenance management monster, the maintenance management machine age, the maintenance management monotony, and the maintenance management manacles."

The monster, according to Hall, was the rapidly growing set of principles, procedures, and techniques that tend to "perplex and confuse" managers. Hall said he believed the "monster" buried managers in paperwork.

The machine age, said Hall, meant the trend by managers to rely on technology for solutions to management problems. Hall said bigger and better computers control maintenance "not one iota."

Monotony, said Hall, tends to bore managers with maintenance problems and tempts them to "direct . . . attention to other more exciting or lucrative work."

Manacles, said Hall, are put on maintenance managers by upper-level insistance on certain management reports, procedures, and techniques. Hall said the hands of maintenance managers "are pretty well tied by the policies handed down by headquarters, the field divisions, and management bureaus and sponsors."

The article titled "Is There Man or Beast in Maintenance Management", published in *The Navy Civil Engineer*, Summer 1974 issue, contains, in my opinion, several statements that require clarification.

Since the Navy Civil Engineer receives wide distribution amongst the ranks of maintenance management practitioners in Public Works Centers and public works departments, it would be prudent to address these statements.

True, articles published in the magazine do not reflect command policy; nevertheless, statements published should be based on "fact". Naval Facilities Engineering Command (NAVFAC) welcomes constructive criticism of any of its programs for all concerned that wish to do better.

An author should therefore, before preparing his manuscript, conduct a thorough research to ensure that his article is technically accurate. This article reflects the maintenance management system described in Maintenance Management for Public Works and Public Utilities, NAVFAC MO-321; Inspection for Maintenance of Public Works and Public Utilities, NAVFAC MO-321; Maintenance Management of Public Works and Public Utilities for Small Activities, NAVFAC MO-321.1; and Organization and Functions for Public Works Departments, NAVDOCKS 6-318. The article does not reflect any major claimant's unique real property maintenance management system, procedures, or reports.

Thes manuals are "advisory" not "directive" in nature. Major claimants adapt, tailor, and use the "system" as they deem necessary.

The term "maintenance management" is widely interpreted at the field activity level. Most field activity personnel, when asked how they manage their maintenance effort, will reply to the effect that "we don't exactly follow the book here, since we have a unique set of operating conditions". The "don't exactly" in this case can range from a slight variation in the processing of specific job orders to a complete absence of any control.

A second category of answer heard is to the effect that "we can't afford the overhead costs for all the inspectors, planners and estimators and work reception personnel".

Still a third answer might be that "we don't have time to fool with the paperwork — we judge ourselves by results".

Perhaps, other such maintenance management "interpretations" have been heard.

The point is that the "system" described in the above manuals has neither universal acceptance, nor universal understanding in the Navy.

It is not unusual to find, activity-to-activity, the maintenance management system either being installed, rejuvenated explained, or defended. Or, any combination of these conditions at any point in time. Albeit, it is a good "system". When utilized properly, it will achieve results in terms of better maintained facilities at lower cost to command.

It is not a complex system; it is basically a formalization of common sense into step-by-step procedures which enable shops output optimization.

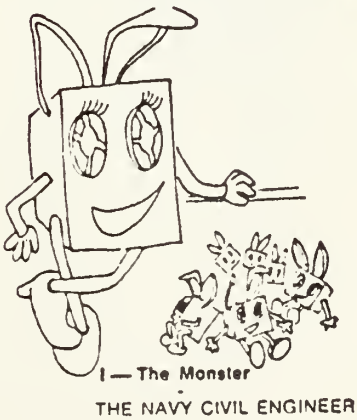
The maintenance management system shown in NAVFAC MO-321, NAVFAC MO-321.1, and MO-322 outlines basic objectives fundamentals, concepts, and elements of control; and translates these basic tenets into a fairly simple, but often misunderstood set of procedures aimed at increasing maintenance productivity through the use of continuous inspection, work input control or "programming", planning and estimating, shop scheduling, and management analysis of results.

Application of these tenets should vary somewhat to suit local conditions or capabilities. As a matter of fact, the public works function of the Naval Ship Research and Development Center, Annapolis Branch, is categorized as a "small" size for it has approximately 80 personnel in the maintenance and utilities division, combined.

Therefore, the modified system recommended for this activity is described in NAVFAC MO-321.1. If this point had been recognized, understood, and used, by the articles' author many of the statements published would have been noted as being without basis in fact.

Statement: "Many different people contribute to its growth and development and consequently the principles,

The 'Beasts' of



1 — The Monster

By BERNARD T. LEWIS
Head, Industrial Engineering Branch
HQNAVFAC

procedures, and techniques multiply rapidly. Each contributor has his own ideas; eventually the field activity maintenance manager is perplexed and confused. He has become so buried in paper work that he is overwhelmed by it".

"By their insisting on certain management reports, procedures and techniques, our hands are pretty well tied by the policies handed down by NAVFAC, the field division, and management bureaus and sponsors. No one can standardize maintenance or management control. Each activity should be given enough latitude to develop its own standards, procedures, reports etc. with final approval resting with the management bureaus."

Rebuttal: NAVFAC MO-321.1 is comprised of forty-three pages including front matter; index; sections on resources management, facilities projects, applied biology services; and illustrations. *Not very many pages left for maintenance management principles, procedures, and techniques.*

There are eight suggested, *not required*, formats, including three for job orders and material lists. There is one suggested monthly on-station report "Maintenance/Utilities Labor Control Report", and one required annual off-station report "Type 'A' Annual Inspection Summary". This does not represent enough paper work to bury any maintenance manager. Without this bare minimum of paper work we would be back in the pre-1950 dark ages of a foremans' hip pocket notebook management, a very costly non-productive form of maintenance management. The "system" depicted is tailored, and can be further tailored, if desired, by major claimants.

NAVFAC, and its Engineering Field Divisions, in the unilinear Navy of today, provide maintenance management advice and assistance when requested and have no authority to tie major claimants hands.

The basic "system" described in NAVFAC MO-321 has not changed since the early '50s. The only thing that changed over the years is the format used for system prosecution. The principles, procedures, and techniques have not multiplied. This is based on personal experience with the system since the beginning.

Statement: "By machine age", I mean the basic trend to rely more and more on technology for the solution of maintenance management problems, we expect the computers to do our work for us."

Rebuttal: NAVFAC has published no advisory ADP assisted maintenance management system. There is in draft form a Public Works Department Management System (PWDMS), not yet ready for Navy-wide export. Any computer readouts or reports, required of NSRDC, Annapolis is not called for by any currently published NAVFAC maintenance management manual.

Statement: "As I stated before maintenance and maintenance controls cannot be standardized at the many varied naval activities".

Rebuttal: Maintenance is standardized, not by any prescribed system or procedure, but by the nature of the work itself. Craft work is the same CONUS wide. The end product is the same, although the work methods may vary. Hanging a door in Maryland is the same as hanging a door in California. Managing maintenance may vary from activity to activity, but plumbing work in a shipyard is the same as plumbing work at an air station.

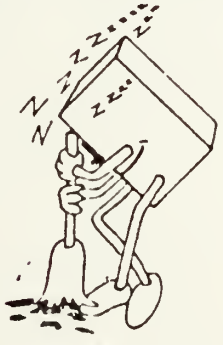
Standard maintenance controls techniques are suggested in NAVFAC MO-321.1. Any wide variation from the basic principles of planning, executing, and controlling maintenance work leads to "breakdown" maintenance.

Maintenance control isn't standardized; elements of control for managing maintenance work are standardized. Whether the elements of control are recognized formally, or not, they are still used in any degree of maintenance management effort.

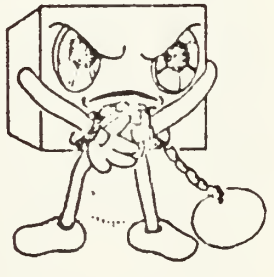
There has to be some standardization otherwise Public Works Officers would have an extremely difficult time in assuming duties, if they had to unlearn and learn a brand new system, at each new duty station. Furthermore, the major claimant would have an extremely difficult time trying to manage

Maintenance Management: How real are they?

II — The Machine Age



III — The Monotony



IV — The Manacle

Maintenance Management 'Man or beast' reexamined

his activities if each one had its own public works organization and maintenance system, and each one decided which on-station and off-station reports it would generate. Monitoring, in this respect, would be extremely difficult. Recognize that many off-station reports are called for by Congress, Office of Management and Budget (OMB), and the Department of Defense (DoD), not just Navy Command.

Statement: "Are planning and estimating necessary. Yes." "Most P&E and maintenance control divisions appear to be overstaffed, however, and are encumbered by the Engineering Performance Standards (EPS), Universal Maintenance Standards (UMS), or other type standards. These are fine, and I feel every P&E should know how to use them and how they are derived, but they are very cumbersome and time consuming for most types of work done by the maintenance shops. Again we're back to the personnel involved. A good P&E can do a better job of planning and estimating the work to be accomplished without the use of EPS, etc."

Rebuttal: If a P&E can do a better planning and estimating job using judgement, historical data, or conventional construction estimating manuals, rather than using EPS, a set of standard time data, specifically industrial engineered for maintenance work; then industrial engineering as a discipline should be cancelled from the engineering profession.

Picking numbers from the air can never be as factual or reliable as engineered job time estimates, regardless of any conditions stipulated.

Consider the following data and information taken from NAVFAC files regarding EPS affect on P&E productivity:

Planner-Estimator Hours Required To Prepare Labor Hour Estimates

	Estimation Condition	
Work Order	Non-Eps Activity	Eps Est.
1	0 928	1 120
2	1 433	1 348
3	1 095	1 145
4	2 108	1 378
TOTAL	5 584	4 991

This chart gives an interesting bit of information: It indicates the P&E's at non-EPS activities on the average take longer to estimate jobs than P&E's using EPS take to estimate the same job.

It was found from this particular study that even though EPS estimates varied radically, still they are almost twice as good as estimates not using EPS. What were the reasons for this variance? An analysis of the job phase calculation sheets indicated that somewhere communications have broken down, because many of the P&E's in listing their references did not use the proper page and group times. In fact, it was doubtful if one or two were even using the proper craft manual.

Statement: "Based on the total man-days of work that a P&E group can produce per day (and this varies greatly with the individual P&E and the type of work being estimated), the P&E staff size should be related to maintenance staff number."

Rebuttal: This has always been the case since Controlled Maintenance started. The original, and still effective, rule-of-thumb is that one P&E should support 20 25 craftsmen "available" to work on planned, estimated, and scheduled maintenance jobs. Further, NAVFAC MO-321.1, Table 1, relates the number of planner and estimator/inspectors required per number of craftsmen assigned to the Maintenance Utilities Division, combined, for small Public Works Departments.

Statement: "Most shop supervisors I have seen are not properly indoctrinated into the big picture. They are not cost-conscious. A typical example is when a man is sent out to repair a drinking fountain. He knows that the fountain is beyond economical repair and so indicates on the work request. Yet he will charge two or three hours on a repair which will require further repair in a week or two rather than spend the two hours replacing the fountain. I have seen many such examples — from doors and windows to motors."

Rebuttal: Blame for the situation described above should not be placed on shop supervisors, rather it should be placed squarely on the shoulders of the Maintenance Control Director for allowing it to happen. Job orders issued to the shops should call for the right type of work; in this case, a replacement instead of a repair. Key maintenance managers have to, in most cases, live with the personnel resources available to them. They can either be used as they are, or steps taken to make them better. Shop supervisors, as a group, should not be blamed for poor maintenance management.

Statement: "When we lost three of our four inspectors (who did both contract and continuous inspection), we assigned continuous inspection to the P&E's."

Rebuttal: The Planner & Estimator/Inspector job title has been in use since the mid '60s. Assigning the work of three inspectors to P&Es doesn't make the P&E's more productive, it only means both Continuous Inspection and job planning and estimating functions are not being properly performed. Doing less work in these areas tends to decrease the level of maintenance at a command by causing more repair vs maintenance work, poorer planned jobs, and less maintenance craftsmen productivity.

Statement: "We have combined the functions of maintenance control director and engineering branch manager into one position."

Rebuttal: NAVDOCKS P-318, published in 1960, calls for this type combination for small activities. NAVFAC MO-321.1, published in 1972, also calls for the same combination.

Statement: "Workload has remained fairly constant and we still get out the job orders and contracts without any major problems."

Rebuttal: Pushing out job orders, with allowed craft manhours not based on EPS, will usually produce no major problems for in most cases, allowed craft manhours are so inflated by P&Es that shop supervisors have no reason to complain. However, issue job orders with reasonably accurate allowed craft manhours, and follow-up by comparing actual to planned times, and problems will arise. These are good problems for they are the kind when solved that produce increased shops productivity and effectiveness.

Summary: "We should be managing properly — now — today". But, why reinvent the wheel? Why throw out 20 years of solid proven experience? Why take a system that has been moulded by countless man years of "cut and try," and say, at my activity, despite the press of other business, a better system can be developed? There are activities in the Navy which have been awarded, and rewarded, with the status of Model Public Works Departments. These activities use existing NAVFAC public works management systems and find they do work. If some activities can do it, why not others? The reason is *people* as Mr. Hall states. Since we all are working to support the fleets and commands, why not work together to improve our lot?

INSIDE THE BLACK BOX

By LT MYRON B. SHERMAN, CEC, USN
Director, Public Works Management Division
Civil Engineer Corps Officers School

Drawn by EMS Michael E. Barnes, Basic CECOS Class 95
Similarity to author is intentional.

• Port Hueneme, Calif.

"*. . . our present Facilities Management System is without equal elsewhere in government or anywhere that I know of in industry. Industry is now paying us the highest compliment adopting our techniques and our manuals in their maintenance operations.*" . . . so said RADM Husband to the personnel of NAVFAC Headquarters, as he acknowledged the collective accomplishments of the NAVFAC "family" in facilities management.

Facilities management, in a system context, is certainly an all-embracing term. A significant part of it includes the aspect of public works management as it is applied at the shore activity level, be it by a Public Works Department or a Public Works Center.

What then is the essence of our public works management system which makes it so effective that industry is interested enough to adopt our techniques and manuals?

This question of the "essence" of public works management confronted me when I became a teacher of that subject at Civil Engineer Corps Officers School. My objective was, and still is certainly, to familiarize the new CEC officer with the procedural aspects of public works management, but more importantly, to provide him with the basic concepts upon which it has been structured.

Twelve Commandments of Control

This was done by highlighting and emphasizing the twelve elements of control for maintenance management—the very crux of our "system" (as detailed in NAVFAC MO-321—"Maintenance Management of Public Works and Public Utilities"); for they are applicable not only to maintenance, but to utilities and transportation management as well.

In an attempt to dramatize their significance and value to the student, the elements were dubbed the "twelve commandments" of public works management. After all, without the biblical "ten commandments," we would be in chaos, and in an analogous way, the "twelve commandments" of public works management, properly applied, provides us an orderly, effective system.

At first, however, it was difficult to impart to the "novice," a systems sense (or sense of the whole) with regards to what surely must have seemed to him to be the classical "black box" so often referred to in electrical theory when the inner-workings of a complex electrical system cannot be easily understood. So, in an attempt to reveal the inner workings of the "black box" once and for all, the accompanying drawing was developed. Admittedly, it is an oversimplification, but the purpose is to emphasize the most salient features of the system.

Each element within the black box is recognized to be a very complex entity unto itself. However, the drawing provides a departure point for presenting the subject material, so it seems desirable to share it not only with the "novice" at CECOS but also with other members of the "NAVFAC family" to help them crystallize or reinforce an intergrated view of public works management.

Imparting Sense and Order

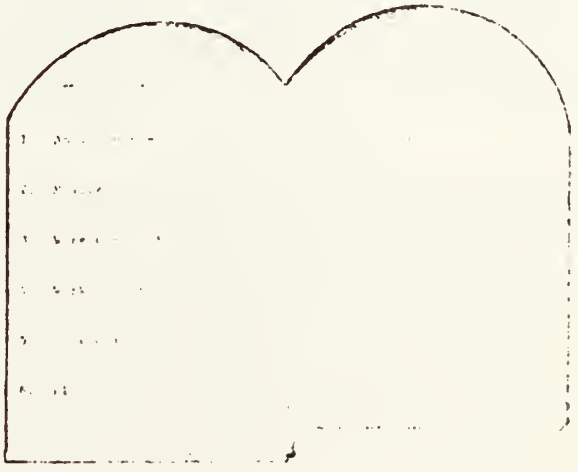
With all due respect to Rube Goldberg, and mechanically-oriented friends, it is conceded that as a machine, it will never "get off the ground." But as a representation which integrates and gives sense and order to the conduct of our public works business, from work inception until the job is accomplished, it definitely does work!

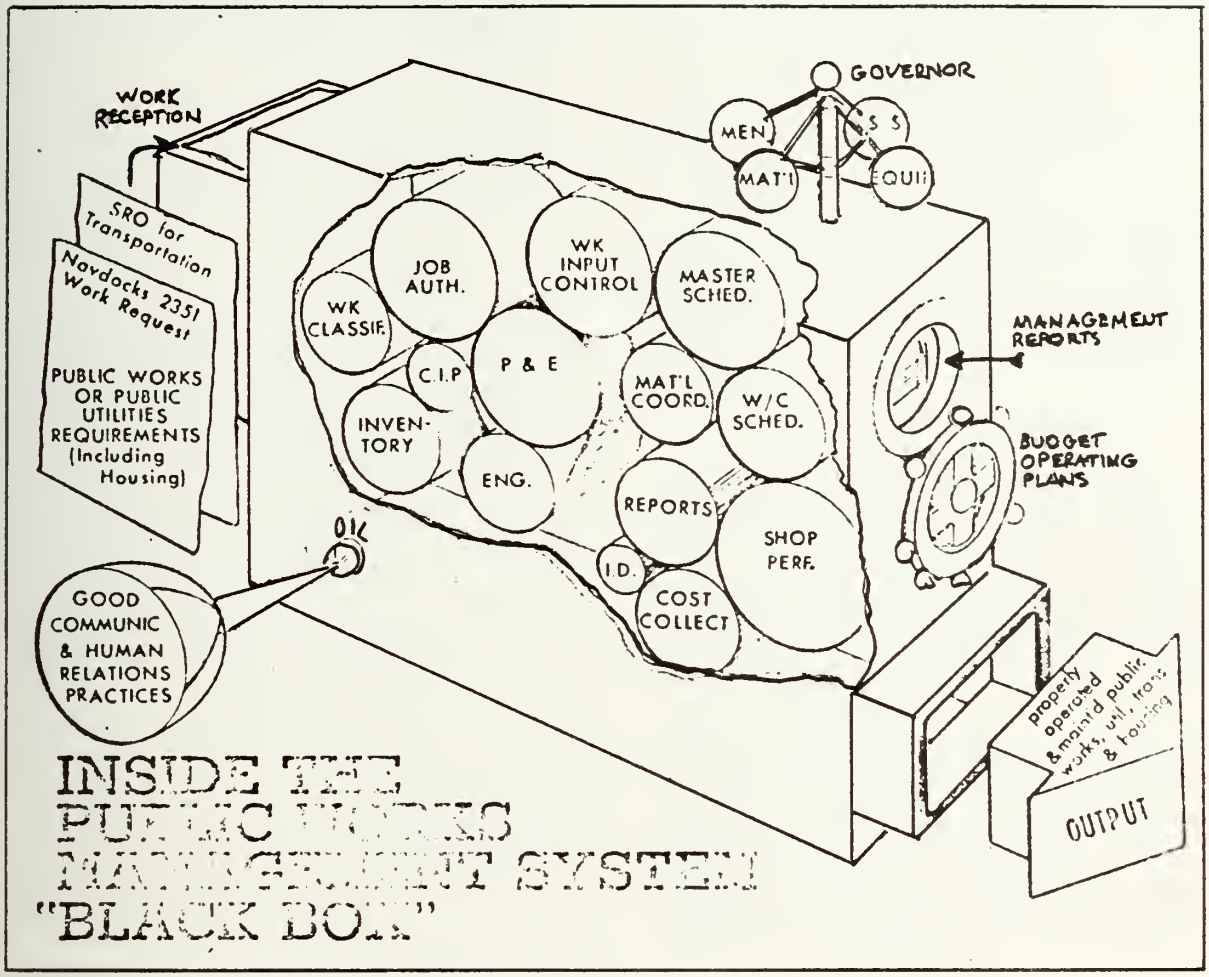
Two critically important points should be emphasized:

First, the essence of the public works management subsystem embodies administrative techniques and procedures which *of themselves are impotent*. Unless managers at all levels understand this, they may be trapped into just following textbook procedures mechanically whether they produce results or not. In short, our system is only a tool —a means to an end—and it will take an informed and actively involved management, at every organizational level, to make things happen.

Second, because each activity is always different in some respects from another, we must be flexible in our

12 COMMANDMENTS OF PUBLIC WORKS MANAGEMENT





application of the principles and techniques. Nevertheless, there is one fundamental requirement which must be recognized, lest our system fail before it can ever get a chance to work. That is the concept of "separate but equal administrative control or work generation and work performance," as explained in MO-321 (Para. 2.8.2.1 of Chapter 2).

Dismantling the Black Box

Effectively, the "black box" attempts to reveal that all work requirements must first enter our system in some standard form through the single funnel labeled "*work reception.*" This is predicated on the fourth commandment "*Thou shalt have work reception.*"

Such parameters as urgency, scope, frequency and others are recognized by the fifth commandment, "*Thou shalt have work classification.*" The work is entered as a service or emergency call, or a minor or specific job order or a standing job order, etc.

The element of "*job authorization*" is shown, where the properly designated authority reviews the job for content and complexity and approves the subsequent processing of the work. Then our planners and estimators (P&E's) not only plan the job, but in effect, establish a "benchmark" for performance, through their estimate, developed whenever possible with engineered performance standards. Where there are significant deviations from these or other benchmarks for performance, the concept of "management by exception" can provide a clue as to where to devote our management efforts.

Notice that "*Engineering*" is included in the "black box." Although not a "commandment," *per se*, it is a vital requirement of the system, for it is the source of our engineering solutions and of construction shop drawings so necessary in planning and estimating and shop performance.

Generating the Workload

The principal source of work, or "*Thou shalt have work generation*" is shown as the continuous inspection program (C.I.P.), a built in "prime mover" as it were. It has three facets: operator inspection, preventive maintenance inspections (now being referred to, this year, as DEIS - Dynamic Equipment Inspection Service), and control inspections. Ideally, 65-80% of the public works workload should be generated from these sources, with the balance from essentially "customer generated work."

The element of "C.I.P." is purposely positioned in contact with the inventory "pear" representing the first commandment, "*Thou shalt have inventory.*" For after all, we

must know what we "own" and are responsible for in the way of physical "things" (buildings, roads, grounds, equipment etc.) or are acquiring by way of completed military construction projects, or are removing from inventory by demolition, before we can ever determine what to inspect. Also inventory is a vital ingredient to developing resource requirements (i.e., budget). Once we have a viable continuous inspection program, we can either prolong the life of our public works, utilities or transportation, or determine what the deficiencies are, so we can put them into meaningful priority for subsequent action.

Interfacing Functions With Standards

The commandment, *"Thou shalt have maintenance standard"* is represented as a band ("Mtn. Stds.") tying together *"C.I.P."*, *"P&E"* and *Engineering*. In other words, what we decide to do, based on our inspections or the extent and nature of the repair (either detailed by engineering and/or planned and estimated by P&Es) must be done within established and defined maintenance standards. Public works does not have limitless resources and therefore, can not maintain every one of our facilities in absolutely first class condition; nor do we necessarily want to, particularly if a building, let's say, is programmed for demolition within the next three years.

The job orders (with their manhour and material requirements) that are produced by the P&E's are programmed into the shops through the technique of *"work input control."* Effectively, this element, which is only one of several adapted from production techniques, is a system which acts in an analogous way to a valve. Work is permitted to "flow" through the valve at a rate to match the manpower availability of the shops involved. Work that cannot be programmed readily becomes "backlog" which must be identified and managed as part of our long range plan (inherent in the "work input control" element). If the work cannot be accomplished within the year it would be reported as Unfunded Facilities Deficiencies on the Annual Inspection Summary.

The listing of jobs programmed on a monthly basis is sent to the *master scheduler* where a weekly schedule is developed which is subsequently made into a daily *"work center (w/c) schedule"*, usually by the work-center supervisor (or shop planner), thus fulfilling the commandment *"Thou shalt have scheduling."* Even here, a queue of jobs awaiting shop resources will develop, and this "backlog" also has to be identified and managed, all part of the consideration of the elements simply shown as "scheduling."

In either case, the commandment, *"Thou shalt have material coordination,"* is essential to the scheduling phases, since not only do the men and equipment have to be coordinated in a time frame, but the scheduler must be assured of the availability of that all important resource, *material.*

Keep Management Informed

In addition to properly maintained and operated station facilities as the output, management is (or should be) provided a feedback in *"reports"* for appraising the effectiveness of what we have accomplished in relation to our benchmarks. The shops, of course, execute the jobs ("shop performance") and the elements of "cost collection" and "numerical identification (I.D.)" associated with every job helps to track and record the data so vital to the financial control and management processes.

There are other factors or restraints on our "black box". Notice the *"governor"* which symbolizes the fact of life that the principal resources necessary to get the job done *—men, money, materials and equipment —* are available only in limited amounts, which certainly dictates the nature and extent of our accomplishments.

Even so, the very important facet of flexibility required in public works management should be elaborated a bit with regard to the *"men"* or manpower resource represented on the governor.

In public works management, we usually have access to civilian contract forces through the OIC/CROIC/C organization so "manpower" doesn't necessarily have to be a restraint. Several advantages of contract forces would be to capitalize on a special expertise or to help reduce too large an existing shop backlog or to assist us during periods of peak workload to forestall further buildup of the backlog.

Eliminate Squeaks and Squawks

Now, notice the *oil can*, symbolic of the all-important lubricant that keeps the system functioning smoothly. In other words, what makes this or any system work, is the practice of *"good communications and human relations."*

There has to be a direction and a source of control for the entire public works effort, and it is shown by the ship's wheel, symbolizing our *"Budget Operating Plans."* Budgets not only provide us the justification for obtaining resources; they also serve as that all important "benchmark" or plan, against which we compare our final (or interim) accomplishments.

The *window* on the entire operation, represents the opportunity for *all* levels of management, from the shop level right to the top man to appraise their respective efforts through the entire process and to take action as appropriate. Our "family" of management cost analysis reports, among others, is designed to provide this sort of opportunity. Perhaps management's ability to look "into" its operation could have been depicted as gauges instead, which would be more illustrative of the "management by exception" approach implied in the discussions throughout.

Observe and Learn

As an aside, let me emphasize the point that with all of our sophisticated reporting and feedback systems and controls which *may* tell us what has happened or is happening, they, of themselves, don't *make* things happen. What then is an answer? I suggest that there is absolutely no substitute for getting away from the desk and out to the job site or into the shops, right where the action is, and observing, and learning.

Upon close examination of the twelve elements discussed, you should be able to group them together in a particular fashion to see that our public works management system is simply an extension of the management practice referred to as "plan-execute and appraise"—and what I like to refer to as the basic law of good management, particularly good facilities management.

We have, over the years, not only had the foresight to apply production techniques in a maintenance context long before others did, but we have also developed a system built on two very simple and proven management principles, that is, "plan-execute and appraise", and "management by exception"—as is embodied in our "twelve commandments" of public works management—the essence of our system and its success—the essence of the public works "black box."

The process for better maintenance funding . . .

By REAR ADMIRAL ROBERT F. JORTBERG,
CEC, USN

☐ Since 1974 the Navy has spent over $322 million to construct new naval hospitals and other medical care facilities but has been unable to adequately maintain either these new facilities or the older ones!

During 1975 more money was spent to repair foreign object *damage to jet engines* at Naval Air Station, Miramar than was needed to overlay the spalling runway, *the source* of the foreign objects!

☐ In the spring of 1975 the Navy's resource allocation plan for fiscal years 1977-81 included the Program Objectives Memorandum (POM 77) to the Secretary of Defense that earmarked *only $10 million* per year *for major repair projects* for shore facilities throughout the entire Navy!

The Navy's budget submission for FY76 for maintenance of real property *(MRP)* for those facilities maintained by the appropriation, Operations and Maintenance, Navy (O&MN), totaled only $254 million and the Secretary of Defense considered reducing this by $82 million during the budget review process!

☐ In July 1974 Pacific Fleet ships could not be refueled at Point Molate in San Francisco Bay as the fuel pier was so badly deteriorated that it was unsafe to bring ships alongside. Refueling was accomplished by barge. The design to repair the pier had been finished with a price tag of *$3.5 million*, however, the funds to accomplish this were not available. The FY76 budget of the Naval Material Command then being submitted included a total of *$2.6 million* for all major repair projects (projects to cost more than $25,000 each) for the entire command!

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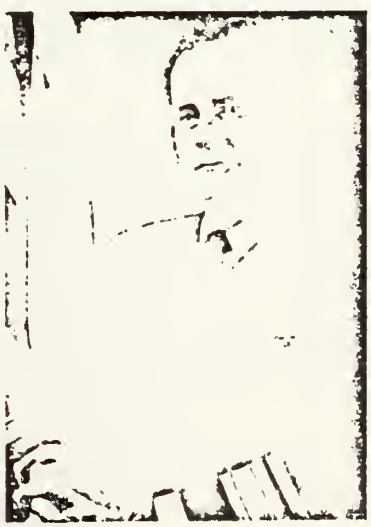
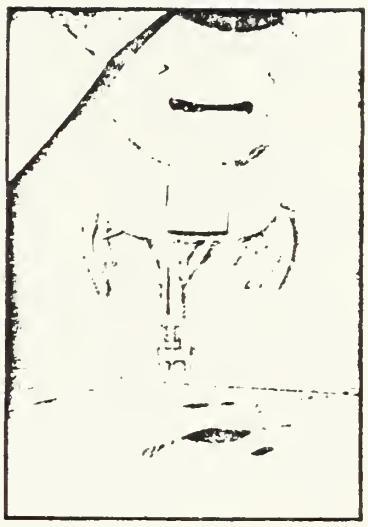


The author retired 1 June 1979 from his post as Director, Shore Facilities Planning, Office of the Deputy Chief of Naval Operations (Logistics). He was relieved by Rear Admiral James T. Taylor, CEC, USN, who was recent commanding officer of Naval School, Civil Engineer Corps Officers (see page 17).

Admiral Jortberg, a graduate of the U.S. Naval Academy (1947), received the Legion of Merit in 1967 for his performance of duties as Southeast Asia Program Coordinator in Charge of Construction, Republic of Vietnam, in 1972 and later Commanding Officer, Western Division, Naval Facilities Engineering Command.

He was assigned to the post from which he recently retired in 1974 and was recognized for his innovative methods, one of which was the revision of funding processes for maintenance, the subject of this article.

Process for better maintenance funding ....



A DECADE of low maintenance funding leads to overall deterioration of many facilities as experienced by two air stations.

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These are startling facts but they are better understood by looking at what the Navy has spent for MRP recently. FY66 through FY76 is portrayed (Fig. 1) by using constant FY79 dollars to compare purchasing power over time. The area labeled "migration" represents the funds which were budgeted for some other purpose but which were actually spent for MRP. It may also be displayed (Fig. 2) as a percent of current (replacement) plant value (CPV).

This filters out changes in the size of the shore establishment as well as inflation. Both figures dramatically depict the rapid decline of MRP funding over the same 10 year period. A related analysis reveals that, for the total Navy, a minimum funding level of approximately 1.12% of CPV is required to meet the needs of day-to-day recurring maintenance without any reduction of the backlog. This may be considered to be a part of the cost of ownership. Locating this number on Figure 2 provides additional insight into the underfunding problem.

The conditions described above are illustrative of the facts that were surfaced as the maintenance of real property area was studied by the Shore Facilities Programming Division (OP-44), Office of the Chief of Naval Operations (OPNAV), in late 1974 and early 1975. As each of these facts was recognized, the same question—why?—demanded an answer.

An explanation was sought not only in OP-44 but also by the Office of the Secretary of Defense (OSD) and personally by Dr. James R. Schlesinger, then Secretary of Defense. Because each of the Services had addressed the OSD proposed cut in their MRP budgets for FY76 as a major budget issue, Dr. Schlesinger discussed the subject of MRP at an Armed Forces Policy Council meeting in January 1975.

A discussion is warranted on how the "why" was answered and how new procedures were implemented to provide decision makers of the resource allocation process with better information to make their MRP decisions.

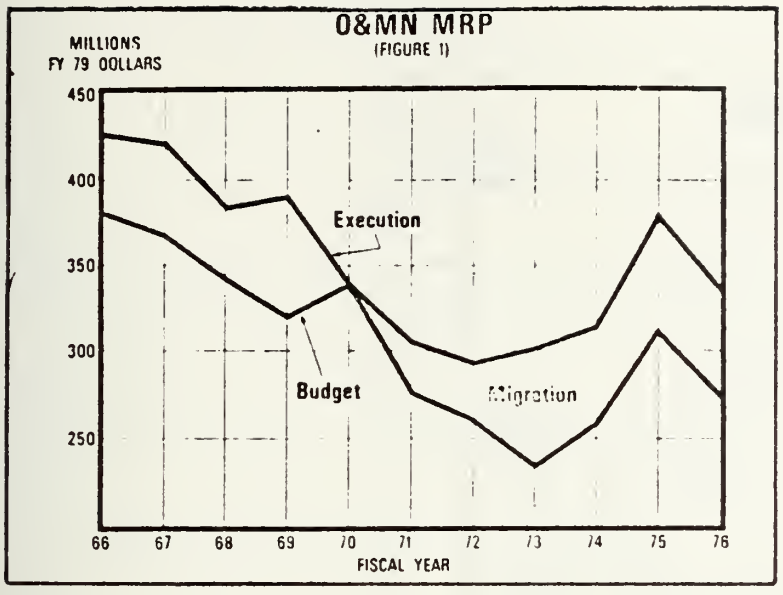
The search for the "why" also led to the programming phase of the Department of Defense Planning, Programming and Budgeting System. Any close study of resource allocation in the Navy quickly recognizes that the programming process is the fundamental process which determines the distribution of resources among the progam elements of the ten defense programs in the Five Year Defense Plan (FYDP).

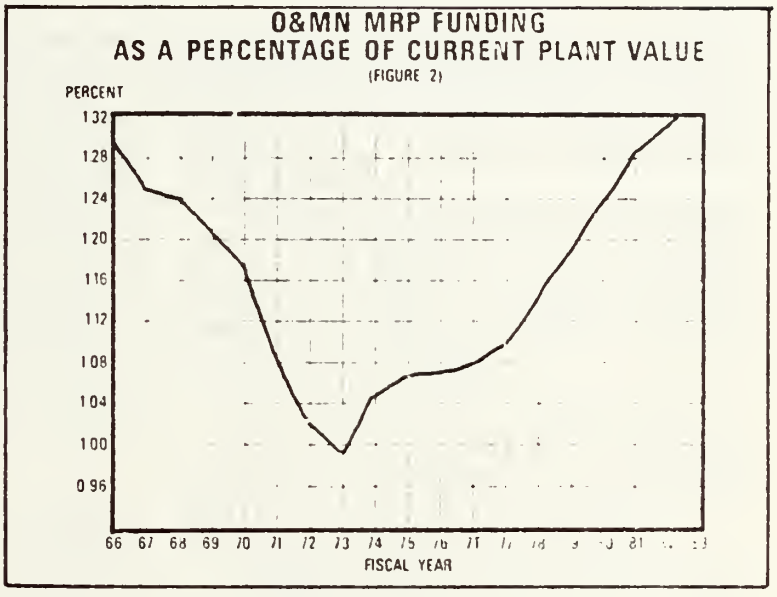
Each year the Chief of Naval Operations prepares a Program Objectives Memorandum (POM) for submission to the Secretary of Defense (SECDEF) which presents the Navy's plan for complying with SECDEF guidance and for the utilization of resources which SECDEF has indicated available for programming purposes. This discussion, of course, is not intended to be definitive with respect to the details of the POM process or the budget. A simplified explanation is that the programming process puts resources into the FYDP (which may be thought of as a bank) and the budgeting process takes the resources out and makes them available for use.

As simple as this relationship is, it has not been widely understood. Until recently, the programming process has been something of a mystery outside of OPNAV. By its nature it is an OPNAV process with little opportunity for direct input from major claimants. One result of this lack of understanding was that virtually all of the arguments which were developed in support of MRP resources were developed and presented in the budget process.

The Naval Facilities Engineering Command had for several years presented analyses which provided a convincing statement of the need for additional resources to arrest and reduce the growing backlog of maintenance and repair requirements. The problem has been that these requirements had not been considered during the programming process and very limited resources were identified in the FYDP (i.e., deposited in the bank) for MRP. In the absence of resources in the FYDP, there was virtually no chance of any increase during the budget process. To do so would mean a reduction in other programs which had been properly justified in the POM and properly entered into the FYDP.

What had happened was that the MRP requirements were being addressed in the budget but not in the POM. They were not being addressed in the fundamental resource allocation process.



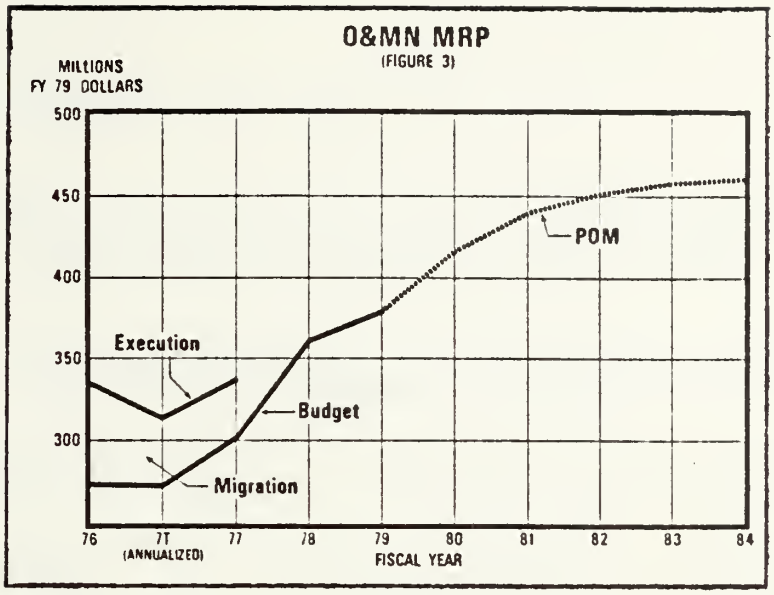


Recognizing the need to program MRP resources was easier than developing a technique for doing it. How could OP-44 convince the decision makers within OPNAV that more resources should be committed to MRP during the POM process at the expense of some other requirements?

In early 1975 there was in common use only one measure of the need for real property maintenance resources—the Backlog of Maintenance and Repair (BMAR). But this measure had little credibility. At the end of FY74, the Navy's BMAR in O&MN supported facilities was reported to be approximately $400 million—a number no one really believed. Surveys of the projects contained in the backlog by various groups (including the Office of Management and Budget and the Surveys and Investigations Staff of the House Appropriations Committee) raised serious questions as to the validity of the BMAR.

It was clear that an argument based upon a growing BMAR would not be persuasive. If the proposition were to be set forth that more resources were needed simply because the BMAR was $400 million, the logical response would be, "You are not telling me enough. How do I know that this level of backlog is bad for the Navy? What is its significance?" To seek increased resources in a highly competitive process, a better measure or statement of the requirement was needed.

The approach to new techniques for presenting these requirements recognized that the shore facilities of the Navy are highly diverse. They range from runways and



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parking aprons to hospitals, bachelor housing and waterfront structures. They cannot be considered as a single entity. Navy decision makers cannot relate to the single, amorphous concept of "the shore facilities of the Navy."

It was necessary to break the whole down into parts to which the decision makers could relate. To achieve this it was decided to classify all Navy shore facilities into 18 different groupings of similar facilities called investment categories, and to analyze the condition of facilities by each individual investment category (IC). It was then decided to prepare and maintain a current profile for each IC. Each profile sets forth all of the facts known about the facilities in that category. Based upon these facts an assessment is prepared for each category reflecting the condition of the facilities and of the potential for adverse effect upon naval readiness during the five year period of the POM and considering the resources then in the FYDP.

A program objective, which is a plan or strategy for the five year period, is then expressed for each category. The program objectives are long term trend guidelines which identify those categories which need increased emphasis and perhaps those that may receive reduced emphasis during the planning period. Finally, for each profile a macro estimate is prepared of the resources required over the five years to achieve the plan. The sum of the MRP resources required for all 18 investment categories is the total required for the Navy as a whole. (This concept has been implemented by OPNAV Instruction 11010.23D.)

Implementation has involved increased emphasis on the scheduled inspection of facilities at the activity level.

Without current information on the condition of facilities this approach would have no value. Each year Annual Inspection Summaries are submitted by shore activity commanding officers to their major claimants who analyze these inputs and provide CNO (OP-44) with an overall assessment of the condition of their facilities by investment category.

In OPNAV the assessments from all claimants are integrated into Navy wide assessments, and the need for revisions to the previously approved program objectives is determined. The Navywide assessments and the current program objectives are presented to the Shore Facilities Programming Board (membership includes all major claimants) in June of each year for discussion and possible revision.

Subsequent to the Board meeting recommendations for revised program objectives are presented to the CNO, and upon his personal approval, the new program objectives are published as a new enclosure to OPNAVINST 11010.23D. The analyses of the 18 profiles then become the principal inputs to the MRP portion of an annual Real Property Issue for consideration in the next POM analysis.

Through this approach the decision makers at various levels in OPNAV (and at the major claimants as well) have a structured analysis of the condition of Navy real property, the potential for impact on readiness and the resources required to achieve the approved five year MRP plan. Their decisions can then be based upon an understanding of their long range implications.

This process is now in its third cycle, and it has gained understanding and acceptance within the Navy and is recognized as a meaningful approach by the OSD staff. The results of this approach since FY76 are shown (Fig. 3). In constant FY79 dollars, MRP budgets have grown from $274 million in FY76 to $378 million in FY79. This represents a growth from .95% of CPV to 1.31% and is a 38% real program growth.

Even more encouraging, the OPNAV decision makers increased the MRP levels in the "bank" during POM '80, with $447 million for FY80 in the President's Budget now before Congress. With this increase, the MRP level in FY80 jumps to 1.40% of CPV. Substantial progress has consequently been made toward eliminating the large backlog of maintenance and repair needs caused by the previous decade's low funding levels, and most important, the potential threat that the condition of shore facilities would constrain Navy military readiness has been minimized. □

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TABLE OF CONTENTS

VI: PWD BUDGETING AND ACCOUNTING

A. PPBS OVERVIEW----------440
1. Introduction----------440
2. PPBS----------440
3. Cycle----------442
4. System Products----------444
a. Five Year Defense Plan----------444
b. Budget----------445
B. FLOW OF FUNDS----------445
1. Appropriation----------445
2. Flow of Funds----------446
C. SOURCES OF FUNDS----------448
1. Operation and Maintenance, Navy----------448
2. Reimbursable Orders----------449
a. Work Request----------449
b. Project Order----------451
3. Other Funds----------451
a. Other Procurement, Navy----------451
b. Family Housing Funding----------451
c. Military Construction and Special Projects----453
D. COMPTROLLER SUPPORT----------453
1. Overview----------453
2. Comptroller Responsibilities----------453
a. General----------453
b. Budgeting----------454

c. Fiscal Accounting----------454
d. Real Property Accounting----------456
e. Reclama----------457
E. NAVY ACCOUNTING----------457
1. General----------457
2. Cost Accounting----------458
a. General----------458
b. Operating Budget System----------459
c. Reports----------461
d. Cost Accounting Applied to Public Works--------463
3. Real Property Accounting----------471
F. BUDGETING----------472
1. Definition----------472
2. Budgeting----------472
BIBLIOGRAPHY----------477
SUGGESTED REFERENCES----------477

VI: PWD BUDGETING AND ACCOUNTING

A. PPBS OVERVIEW

1. Introduction

The funds approved for the activity's use during any fiscal year are the end result of a long chain of sequential, complex and integrated events. The process by which resource requirements are determined, documented and costed in the Department of Defense is know as the Planning, Programming and Budgeting System (PPBS). Through the PPBS, requirements for the manpower, money and materials to carry out various programs are incorporated into a Five Year Defense Program (FYDP) which is reviewed by top level officials in the services, the Secretary of Defense and the Joint Chiefs of Staff. These requirements eventually become part of the President's Budget and are submitted to the Congress for its review and approval. The Congress approves its version of the budget in the form of an appropriation bill which, after signature by the President, becomes law and an appropriation act.

2. PPBS

Planning and programming in the Department of the Navy is integrated with the DOD Planning, Programming and Budgeting System. Almost every headquarters, directorate, office, branch or section influences or is influenced by this system of planning phase for National Defense. PPBS is a comprehensive system which provides the basis for standardized planning and programming for all the armed services.

PPBS can be considered to consist of three separate and distinct phases:

a. A planning phase wherein global threat is assessed and strategy to meet that threat is defined.

b. A programming phase which translates the strategic plans into alternative force structure programs defined in terms of men, material and financing.

c. A budgeting phase which expresses the programs in annual funding requirements.

In actual operation, the system is not as definitive and orderly as the process just defined. More accurately, the three phases are closely interrelated and the calendar year events of planning and programming are timed to conform to the more rigid annual cycle of budgeting.

The activity's budget identifies the funds available for its use. The first day of the fiscal year is the day on which the activity can begin spending for the resources (personnel, material, equipment, services and facilities) to achieve its mission. The activity is responsible for the resources acquired and what they produce. To assist the activity with this task, accounting systems have been designed to accomplish several things. Although the accounting system is not a part of PPBS, it provides an indispensable role. Firstly, to ensure that the activity fulfills the fiduciary requirements imposed by higher authority; secondly, to ensure that adequate controls are placed in the hands of the Commanding Officer and other entrusted with the management of Navy

resources; and finally, to provide reports to be used as a management tool in executing the activity's budget.

3. Cycle

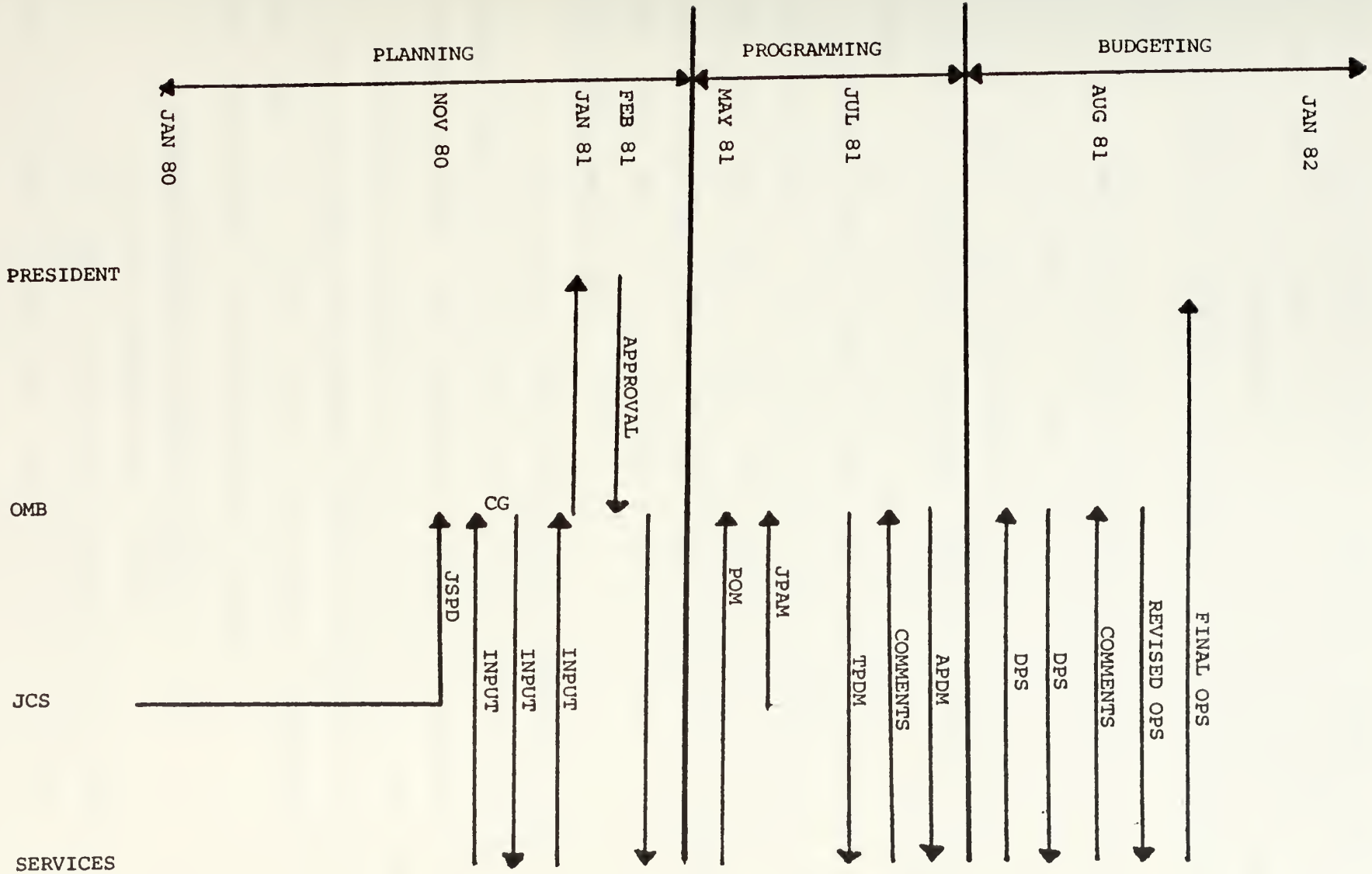
The DOD PPBS operates on an 18-month cycle; however, the system is recycled annually and an overlap results. This means simultaneously budgeting for one year, programming for the following, and planning for the succeeding years. The cycle is (Figure VI-1) comprised of the following major steps:

a. The Joint Chiefs of Staff (JCS) look at objectives, analyze threats and then make recommendations to Secretary of Defense (SECDEF) through the submittal of the Joint Strategic Planning Document (JSPD). The JSPD contains the recommendations of the JCS for national security objectives and military objectives projected for eight years into the future.

b. The SECDEF reviews the JSPD and then submits to the services the Consolidated Guidance (CG) document which is a collection of assumptions in scenario form made by the Office of Secretary of Defense (OSD) on the possible threats, warning times and sustainability of a conflict.

c. The services take the CG and provide input to the scenarios and resubmit to OSD. The CG moves back and forth between the services and OSD until OSD is satisfied with the services' inputs. Then the CG is sent to the President for his comments and approval. When the CG is approved by the President, the Planning phase has been completed.

d. The services develop and submit Program Objective Memoranda (POM) to OSD, while the JCS are also developing and



FLOW CHART PPBS FOR FY-83

Figure VI-1

submitting Joint Program Assessment Memoranda (JPAM) to OSD. The POM is the instrument through which programming under fiscal constraints is implemented. It is also the primary means for the services to request revisions to the SECDEF's approved programs.

e. OSD takes the POMs and JPAMs and compares them to the CG; any differences are then analyzed by OSD in the form of issue papers. The issue papers are sent to the services and Office of Management and Budget (OMB) for comments on differences. After the differences have been resolved, OSD sends the Tentative Program Decision Memoranda (TPDM) to the services for comment. The services make their comments on the TPDMs and return them to OSD. OSD evaluates the services' comments and then submits the Approved Program Decision Memoranda (APDM) back to the services. It is at this point the Programming phase ends.

f. The services take the APDM and formulate budget estimates that are submitted to OSD in the form of Decision Package Sets (DPS). OSD evaluates the DPSs and returns them to the services to comment on any questions OSD may have on any DPS. The DPSs move between OSD and the services until all differences are settled. Then a Final DPS is submitted to OMB to be included in the President's budget.

4. System Products (NAVSO P-3582)

a. Five Year Defense Plan (FYDP)

The FYDP is formulated annually on the basis of SECDEF decisions to the POMs submitted by the services. The

FYDP is the summary of the approved Five-Year programs of all DOD components. The FYDP projects force requirements for eight years and manpower and cost data, associated with approved programs, for five years. It is in the official program of the DOD and is updated as changes occur in accordance with the PPBS.

b. Budget

The annual budgets of the defense components are developed each year on the basis of the forces and programs set forth under the first program year of the FYDP. While derived from the FYDP, budgets are expressed in greater refinement and detail than the FYDP programs. The Defense protion of the President's Budget is based on SECDEF's decisions regarding the separate budgets submitted by the defense components.

In summary, the basic procedures within the PPBS can be stated in a few words: Strategy is developed in consideration of the threat and policy. Force objectives are developed to support the strategy. Programs are developed to provide, on an orderly basis, ships, aircraft, weapon systems and manpower over the period of time, with due consideration of the total cost to the nation. Lastly, funds are budgeted in such a manner as to obtain the forces and weapon systems within the resources that the Congress provides.

B. FLOW OF FUNDS

1. Appropriation

Congress provides funds principally by the means of annual legislation known as the Department of Defense

Appropriations Act. Before an Appropriation Act is passed, it must be preceeded by an Authorization Act which establishes maximum amounts that may be appropriated for specific purposes. The Authorization Act prescribes such things as military and civilian end strengths, procurement quantities, training stuent load and similar limitations. An appropriation constitutes the authority to permit the government to incur liabilities and to make payments from the Treasury for specific purposes. The Constitution of the United States requires that:

> "No money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time."

2. Flow of Funds

Knowing how the funds flow down from Congress to the activity will help in understanding how restrictions and constraints are placed on funds. Figure VI-2 is a simplified diagram of how the process works. Congress sends to the President the DOD appropriations bill which, after being signed by the President, becomes the Appropriation Act. The next set is one of apportionment by OMB. Apportionment must occur before funds can become available for commitment, obligation and expenditure. As originally enacted, the Apportionment Act required that expenditures be spaced in an orderly manner throughout the year to avoid the need for additional Congressional appropriations. As a result of the apportionment process, the O&M annual appropriations will be divided into four quarterly limits, not necessarily in equal amounts. For

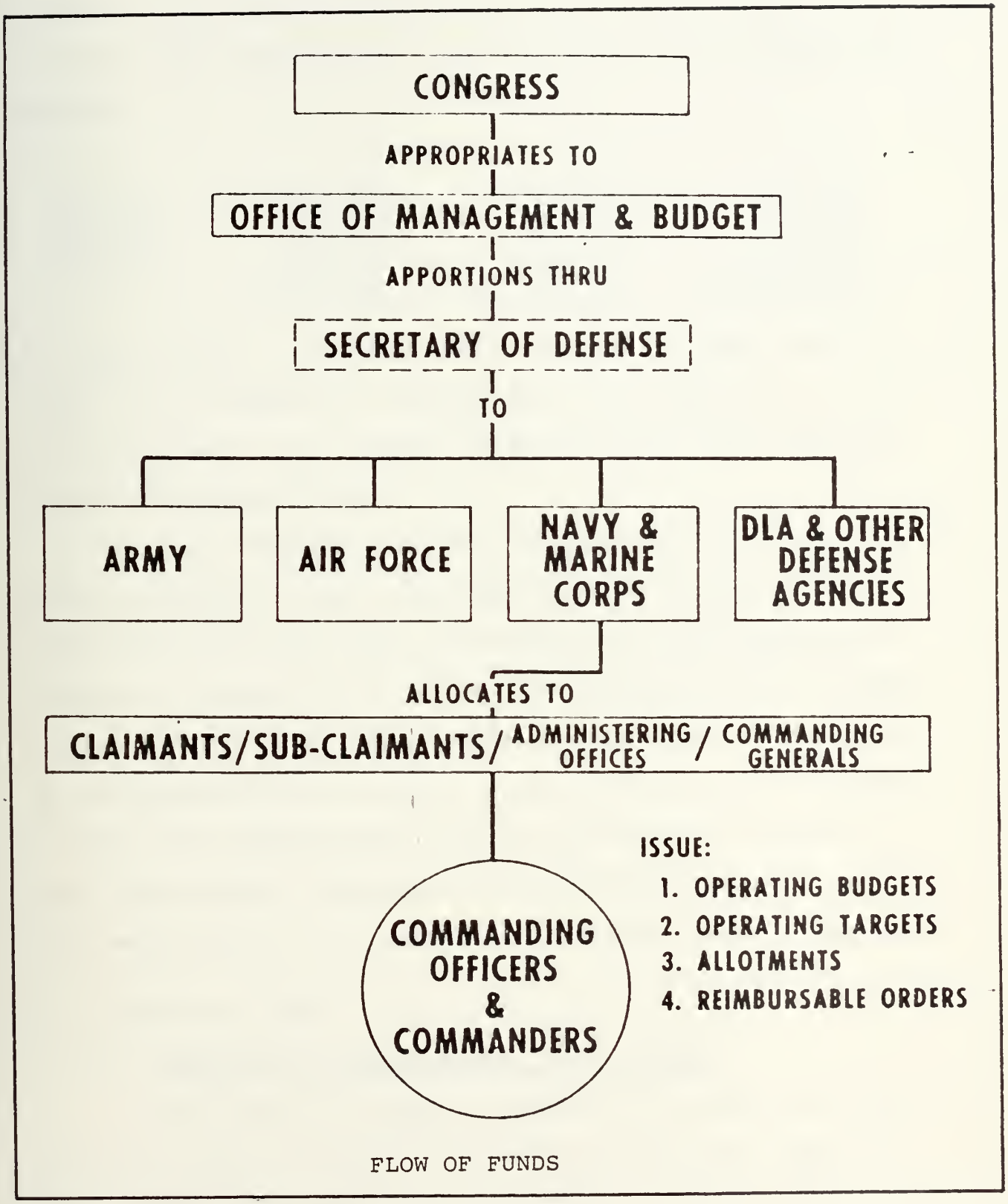

CONGRESS
APPROPRIATES TO
OFFICE OF MANAGEMENT & BUDGET
APPORTIONS THRU
SECRETARY OF DEFENSE
TO
ARMY
AIR FORCE
NAVY & MARINE CORPS
DLA & OTHER DEFENSE AGENCIES
ALLOCATES TO
CLAIMANTS/SUB-CLAIMANTS/ ADMINISTERING OFFICES / COMMANDING GENERALS
COMMANDING OFFICERS & COMMANDERS
ISSUE:
1. OPERATING BUDGETS
2. OPERATING TARGETS
3. ALLOTMENTS
4. REIMBURSABLE ORDERS
FLOW OF FUNDS

Figure VI-2

example, a $1 million appropriation may be apportioned in one of three ways shown below, or at any other rate as determined by OMB.

	I	II	III
1st Qtr	$ 250,000	$ 100,000	$ 200,000
2nd Qtr	250,000	400,000	200,000
3rd Qtr	250,000	400,000	200,000
4th Qtr	250,000	100,000	400,000
	$1,000,000	$1,000,000	$1,000,000

The apportionment regulates the rate at which funds may be spent. It is important to understand that the quarterly division of funds is as legally binding as the total limits of the appropriation itself.

After the appropriation is enacted and the apportionment is released by OMB, the apportionment becomes SECDEF's authorized obligation plan. Following the establishment of the rate of obligation by SECDEF, the Comptroller of the Navy further divides or allocates funds to responsible officials in the Department of the Navy. These allocations are usually divided into suballocations and are subsequently issued as operating budgets, allotments and operating targets to make the funds available for commitment, obligation and expenditure.

C. SOURCES OF FUNDS

1. Operation and Maintenance, Navy (O&M,N)

This source of funds is common to all activities and constitutes the wherewithal to carry out the day-to-day mission related operations of the activity. The funds pay for salaries and fringe benefits of civilian personnel, contracts for maintenance of equipment and facilities, fuel, utilities,

supplies and repair parts. For most activities, the O&M appropriation provides funds in support of the activity's Operating Budget which is the master financial planning and control document for accomplishing the activity's mission.

2. Reimbursable Orders

A portion of a PWO's total operating funds will be represented by reimbursable orders. Reimbursable orders represent work or services requested by another Naval activity, Government agency, or private party. A reimbursement results in a credit being applied to an appropriation. Services or work may be performed on a fixed rate, fixed price, or actual cost basis. The Comptroller is the individual who accepts reimbursable orders, but the Comptroller should get the PWO's approval prior to accepting a reimbursable order if it involves the use of the PWD resources. Two of the most commonly used forms for obtaining reimbursable work are the Work Request and the Project Order.

a. Work Request

A Work Request ~~(Figure VI-3)~~ is an order issued by another activity to the PWD for materials, supplies, equipment, work or services. The Work Request has a definite lifetime. It remains available for obligation purposes as long as the funding appropriation has not expired or otherwise been restricted by higher authority. A Work Request citing an annual appropriation, such as O&M,N expires for obligation purposes on 30 September annually. If the work or services described in the Work Request have not been provided by 30

WORK REQUEST

NAVCOMPT FORM 140 (Rev. 8-74)

☐ INITIAL REQUEST

AMENDMENT NO: BASIC

NUMBER: N00247WR70845

DATE: 28 Sep 1976

MAXIMUM AMOUNT AUTHORIZED: $16,000.00

ACCOUNTING DATA TO BE CHANGED

APPROPRIATION SYMBOL AND SUBHEAD	OBJECT CLASS	BUREAU CONTROL NO	AUTHORIZATION ACCT'G ACTIVITY	TRANS TYPE	PROPERTY ACCT'G ACTIVITY	COST CODE
AA 1771804.2479	000	00024 E	065872	2D	000000	0033010000N1Q

SUB ORDER NUMBER

COMPLETION DATE OR PERIOD OF WORK: 31 Dec 1976

FOR DETAILS CONTACT: NAVSEA 0733
J.J. Jones, x21263

TO:
Commander
Mare Island Naval Shipyard
Vallejo, CA 94592

00221

TYPE OF REQUEST	TYPE OF ORDER
[X] CONTINUING	[X] COST REIMBURSEMENT
☐ SPECIFIC	☐ FIXED PRICE
☐ NUMEROUS	

WORK TO BE PERFORMED IN ACCORDANCE WITH ABOVE INFORMATION

BCC-RP

Funds are provided for Operation of Utilities for the First Quarter of Fiscal Year 1977.

Authorized This Amendment $16,000.00

Tentative Annual Planning Figure: $30,000.00

Forward acceptance (on or subsequest to first day of quarter involved) to NMCSA-123, Washington, DC. Information copies to NAVSEA 0183 and NAVSEA 0733.

In accordance with NAVCOMPT Manual Para. 032501, amendments for the purpose of recouping the unused balance of a reimbursable order will not be issued.

Copy to:

SE/ 0733
0183 (3)
NMCS/-123

REQUESTING OFFICE (Signature and title)

ACCEPTING OFFICE (Signature and title)

FROM

ADDRESS: Commander
Naval Sea Systems Command (SEA 0733)
Department of the Navy
Washington, DC 20362

← SENDER'S MAILING ADDRESS

Address reply as shown at left, or reply hereon and return in window envelope (size 8 7/8" x 3 7/8"), if not classified as confidential or higher.

CLASSIFICATION

WORK REQUEST

Figure VI-3

September, a new Work Request must be issued citing new O&M,N funds.

b. Project Order

A Project Order (Figure VI-4) is used when the work or service requested is specific and definite. Project Orders are analagous to contracts placed with commercial contractors and have the same obligation status as a contract. The Project Order expires in accordance with the date on the Project Order or lapses after two years. A Project Order may be utilized to extend appropriated funds from one fiscal year to another if it meets certain criteria. The criteria is that there is a definite need for the work or service this fiscal year and that a portion of the work or service has to be accomplished within the fiscal year of issue.

3. Other Funds

a. Other Procurement, Navy (OPN)

NAVCOMPT Manual, Volume VII, defines the specific requirements for the use of OPN funds. OPN funds are used to procure equipment with a unit cost of $1,000 or more. Equipment costing under $1,000 can be purchased with O&M,N funds. The OPN budget call is usually separate from the O&M,N budget and five year projections may be required. Normally, the field activity does not see the funds because the requested items that are approved are purchased at a higher level and shipped to the field activity.

b. Family Housing Funding

It is discussed in Chapter IX.

PROJECT ORDER
NAVCOMPT FORM 2073 (Rev. 8-74)
S/N 0104-LF-702-3300

1. PROJECT ORDER NO.	2. AMENDMENT NO.
N0002477PO78193	BASIC

3. TYPE	4. ISSUE DATE	5. EXPIRATION DATE	6. CUMULATIVE TOTAL
☒ COST REIMBURSEMENT ☐ FIXED-PRICE	1 Oct 1976	31 Dec 1976	$60,800.00

7. ACCOUNTING DATA TO BE CHARGED

APPROPRIATION SYMBOL AND SUBHEAD (a)	OBJECT CLASS (b)	BUREAU CONTROL NO. (c)	AUTH ACCTG. ACTIVITY (d)	TRANS. TYPE (e)	PROPERTY ACCTG. ACTIVITY (f)	COST CODE (g)	AMOUNT (h)
AA1771804.2476	000	00024K	065872	2D	000000	007402000FFQ	$60,800.00

8. PERFORMING ACTIVITY – a. NAME AND LOCATION

TO: Commander
Long Beach Naval Shipyard
Long Beach, CA 90802

b. UIC NO	c. ACCOUNTABLE ACTIVITY
60258	60258

9. DELIVERY INSTRUCTIONS
a. PLACE
b. DATE
c. METHOD

(Front)

10. DESCRIPTION OF WORK TO BE PERFORMED AND OTHER INSTRUCTIONS (If more space is required, attach additional sheets)

1. Funds and authorization are hereby provided to restore the following items from the USS HORNE (CG-30), IAW MILSPEC MIL-R-24358(SHIPS) of 1 November 1968, and return to CG-30 in RFI condition.

NOMENCLATURE	NSN	QTY	COMPLETION DATE	AMOUNT
PU-491/C-3414/USQ-20(V)	2F6125-00-950-8862	3	31 December 1976	$20,800.00
SB-1881/USQ-20(V)	NONE	1	31 December 1976	40,000.00

2. Each work item must be completed by the completion date specified herein. If the required completion date cannot be met, NAVSEA 0431 is to be notified by message within five days of that determination, stating reason for delay and completion that can be met.

3. Funds granted are based on best estimates available; all expenditures and any change in the estimate of final repair costs are to be reflected on the Repair Program Report (Form NAVSEA 4440/1).

In accordance with NAVCOMPT Manual Para 032501, amendments for the purpose of recouping the unused balance of a reimbursable order will not be issued

Copy to: 0413 (2) 04312
0183 (3) 04412 SA 1230

11. This Order is placed in accordance with the provisions of 41 USC 23, Department of Defense Instruction 7220.1 as amended, and NavCompt Manual, Volume 2, Chapter 3, Part C. Work to be performed and material to be procured pursuant to this Order are properly chargeable to the appropriation or other accounts indicated above until the expiration date of this Project Order. Funds in the amount shown under the block "Cumulative Total," have been committed and will be obligated upon receipt of the acceptance copy by the ordering component.

a. AUTHORIZING OFFICER (Typed name and title)
A. B. SMITH, COMMANDER, NAVSEASYSCOM

b. SIGNATURE A B Smith

12. ACCEPTANCE (The above terms and conditions are satisfactory and accepted)

a. ACCEPTING OFFICER (Typed name and title)

b. SIGNATURE

c. DATE

13. ORDERING COMPONENT (Name and location)

ADDRESS: Commander,
Naval Sea Systems Command
Department of the Navy
Washington, DC 20362

← SENDER'S MAILING ADDRESS

Address reply as shown at left; or reply herein and return in window envelope (size 8-7/8" x 3 7/8"). If not classified as confidential or higher

CLASSIFICATION

PROJECT ORDER

Figure VI-4

c. Military Construction and Special Projects

These funding items are discussed in Chapter IV.

D. COMPTROLLER SUPPORT

1. Overview

This section discusses the duties of the activity comptroller as they relate to the PWD, station budgeting, Navy accounting in general, the cost accounting system used to measure PWD performance against the budget and the real property inventory system that provides the data base for many facilities related decisions. While not under the control of the PWO, these functions must be accomplished to give the PWO timely information for use in the management decision process.

2. Comptroller Responsibilities

a. General

The PWO is primarily concerned and interacts with the Comptroller in the areas of budgeting and accounting. As the key financial manager at the activity, the Comptroller provides the support to the PWO that is essential for smooth operation of the PWD. In addition, it is the Comptroller, not the PWO, who prepares and releases the activity's budgetary and accounting reports which include reporting in the public works area. The Comptroller's staff may have little or no understanding of the technical details of public works operations. In compiling reports, the comptroller department has no intuitive yardstick to use in checking the validity of numbers included in the reports. Thus, the PWO must work with the Comptroller to ensure logic prevails over the routine

posting of numbers. The PWO is in competition with other departments of the activity for the scarce resources available, and the Comptroller is an essential ally in the PWO's continued funding battle.

b. Budgeting

Although prior planning involves more than fiscal budgeting, the budget is the vehicle by which planning is documented. The budget is a fiscal tool, and as such it falls into the Comptroller's domain. Often the Comptroller takes the input of other departments and prepares the activity's budget within the controls imposed by the major claimant. In preparing the budget, the Comptroller should ensure that it satisfies the format requirements of the major claimant to whom it is submitted. How good a planning tool it is depends on how well it is prepared. It is easy to increment last year's budget, provide some written justification for the increase and call it this year's budget. Budgeting is difficult, it requires thorough analysis and some hard decisions on priorities. The detailed planning that is put into a good budget will be of value to the manager throughout the life of the budget.

c. Fiscal Accounting

The NAVCOMPT Manual defines the accounting responsibilities of the Comptroller with respect to public works very succinctly:

> "As specified in this volume, the Comptroller department or fiscal office of the activity will perform appropriation, allotment, cost and property accounting and

reporting preparation, and also be responsible for technical supervision over all accounting procedures contained in this chapter."

The NAVCOMPT Manual further states that the public works cost accounting procedures defined in the Manual are "designed to require a minimum of clerical effort within Public Works Department which effort should be limited to the generation of basic cost and statistical data." Thus, the PWO is not required, nor expected, to supervise an accounting function; this task is clearly within the domain of the activity's Comptroller.

Very often the PWO will find that the Comptroller's financial reporting system is not in the format or not responsive enough to provide the financial information required to operate the PWD. As a result, it is necessary for the PWO to maintain a rather thorough set of memorandum accounting records in order to properly allocate and expend resources. Depending on the situation, the PWO will have to decide how detailed the memorandum records should be and also be aware that it may require the full effort of one individual in the PWD staff to maintain the records.

Local Comptrollers normally keep memorandum accounts and provide feeder reports to an activity designated to act as the "official" accountant. This official accountant is normally termed the Authorization Accounting Activity (AAA) for both fiscal and property accounting. The fiscal and property accounting activity for every Naval Activity is shown in Volume 2 of the NAVCOMPT Manual. One AAA states

the dependent's activity's responsibility with respect to record keeping as follows:

> "Dependent activities should maintain only minimal records necessary to provide a current status of funds pending receipt from the fiscal office of periodic reports on the official records maintained by the AAA." (NAVFAC P-439)

The particular activity designated to keep the "official" books is of little consequence to the PWO. The fact that they are not kept by the local comptroller is significant, however, since this eliminates the flexibility inherent in local maintenance.

d. Real Property Accounting

The Comptroller or fiscal officer is responsible for accounting for Navy plant property at the activity. The NAVCOMPT Manual states that "Fiscal Officers of the accountable activities have the responsibility for establishing and maintaining the official financial plant property records of assigned activities and for submitting the required financial reports." The NAVCOMPT Manual further states, "Due to the nature of the data involved and the work required, the Public Works Department is the department best qualified to perform the continuing review of real property records."

While the NAVCOMPT Manual splits the responsibility for real property accounting and control at the activity level between the PWO and the Comptroller, the requirement for the recording of fiscal and financial data with respect to real property is well defined. Title 10, U.S. Code 2701 (a) requires that the Secretary of Defense cause records of

fixed property to be maintained. The requirement is implemented by a series of Navy publications that specify detailed procedures for the various Navy activities to follow.

e. Reclama

An effective budget execution program requires the timely identification of true hardcore shortfalls and proper justification. There is always a degree of reprogramming flexibility at higher authority levels (internal program redistributions or supplemental funding), but unless reclamas are highly competitive the chances for success are very limited. In effect, the ability to reclama effectively is by far the most critical of all budget execution processes. If a shortfall should occur within the public works area, the PWO will have to work with the Comptroller in submitting the justification for the resources identified in the reclama. Even though the Comptroller is responsible for submitting the reclama, the PWO has to provide the background and technical data to make the reclama a convincing one.

E. NAVY ACCOUNTING (ELLIS, 1975)

1. General

The primary Navy accounting system uses functional accounts, each assigned a five digit number, for classifying transactions. The functional accounts cover all areas of Navy involvement and postings to these accounts are on an obligation and expenditure basis. The functional accounts provide details on what various appropriations received by the Navy are used for. Functional accounts include both

capitalized and noncapitalized transactions. There are nine major series of accounts each further broken down by purpose or type of expenditure. The 40000 series of accounts covers ashore Naval activities and it is in this series that public works expenditures are reported. With the advent of the Resource Management Systems (RMS) the functional accounts are seldom seen by the PWO.

A second form of accounting requires the accumulation of costs by cost accounts which are summarized into functional categories. This is the RMS system used with the O&M,N appropriation. The RMS system only accounts for expenses; no capitalized items are included. It is the primary system with which the PWO is involved. RMS will be described more fully in the next section.

2. Cost Accounting

a. General

It must be understood by the reader that the costs referred to are expenses. The present Navy shore activity cost accounting system was implemented on 1 July 1968. Previous to the implementation of RMS shore activity financial management was aimed at accounting for obligation and expenditures of funds provided to activities through various allotments. RMS relates financing of an activity to the total cost of the assigned mission or task and recognizes costs and records them against the budget at the time they are incurred, not when they are ordered or paid. RMS centralizes the funds previously provided to an activity Commanding Officer by

various allotments into one operating budget rather than allotments. The system also provides a uniform basis for budgeting and expense measurement and reporting.

b. Operating Budget System

RMS, as applied to Navy shore activities, is called the Operating Budget System (OBS). The OBS is designed to provide flexibility through all levels below the major claimant. Significantly, Operating Budgets (OB) and Operating Targets (OPTAR) are subject only to administrative control. The statutory control and commensurate penalties of 10 U.S.C. 3679 R.S. (Obligating in excess or the amount available in an appropriation or in excess of the amount permitted by agency regulations) are not applicable. In addition, the OB is automatically increased any time a funded reimbursable request is accepted.

The system is designed to accumulate expense and work unit utilization by cost account. The cost accounts and the rules for their use are contained in the NAVCOMPT Manual. The Manual states "Except for specific requirements. . .the level of detail expense and work unit data to be accumulated by the cost accounts will be determined by the allotment/ operating budget grantor." Thus, the major claimants are given considerable latitude in specifying levels of detail required. At the end of each fiscal year, the cost accounts are closed to ledger accounts listed in NAVSO P-3006.

For reporting purposes, cost accounts are grouped into function/subfunctional categories to provide a more

meaningful display of data. Additionally, to satisfy other reporting requirements, all costs posted to cost accounts must also be posted to elements of expense and reported in that manner. The NAVCOMPT Manual, Volume 2, Chapter 4, provides considerable detail on just what costs go to what accounts and what accounts go to what functional/subfunctional categories and elements of expense.

The next element of the system that must be considered is the input control devise; the job order. Very small activities are permitted to use the simple functional account number in lieu of a job order system; however, most activities use the job order method of accumulating expense data. The job order system is designed to allow collection of information in a form useful to local management and to allow summarization of information for higher levels in the chain of command.

In discussing the job order, NAVSO P-3006 states:

> "Activities accounting for operating budgets will develop a job order structure to provide for the accumulation of accrued costs. The term 'job order structure' will include any assignment of costs for the purpose of accumulating and posting accounting information. A Navy-wide job order structure is not prescribed because of the variations in requirements...In addition, the job order structure must provide details at any levels desired by local management."

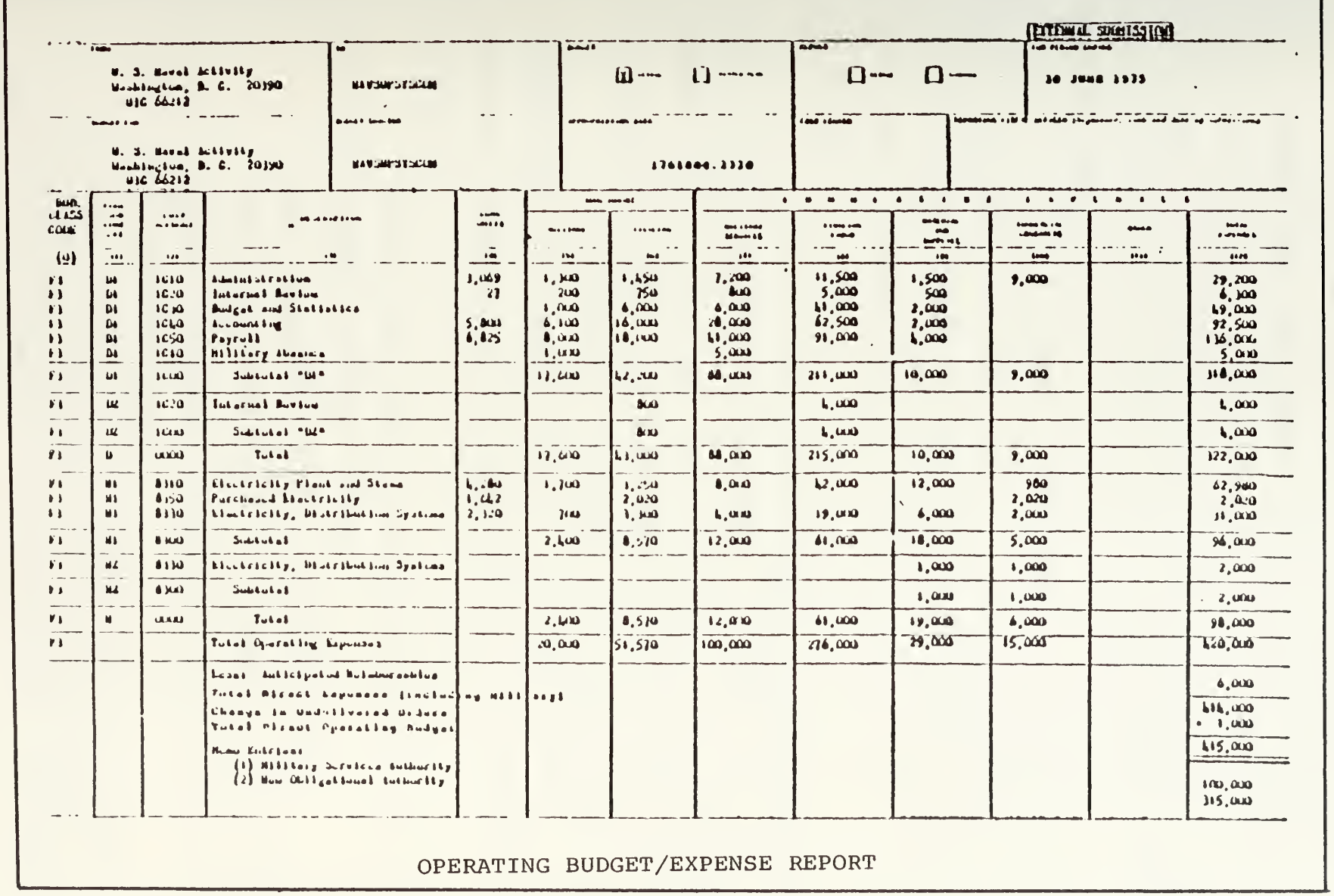
This latter statement is particularly significant. Local management must decide to what level of detail to accumulate costs. From the PWO's standpoint as a manager, the more detail that the system will provide, the more flexibility the PWO will have in sorting the data for various uses. From the

Comptroller's standpoint, more detail means more job orders and, thus, more work and more opportunity for error in posting. Therefore, each year when job orders are developed, it is incumbent upon the PWO to realistically ascertain the level of breakdown required by the PWO and also to convince the Comptroller to generate the necessary job orders. Once the job order listing is published and the fiscal year begins, it is too late to redistribute costs to additional job orders. An adequate system must be installed at the beginning.

c. Reports

The OBS is designed to provide the cost center manager and responsibility center manager reports of financial and quantitative information which will allow the manager to expeditiously determine variances, areas where workload is increasing or decreasing, reduced or increased efficiency and to take corrective action to effect efficient utilization of available resources. The system also furnishes managers at higher echelons that information necessary for financial control at a broader spectrum.

The primary report in the system is the Operating/Expense Report--Detail, NAVCOMPT Form 2168 (Figure VI-5). This report provides information on a monthly frequency as to work units completed, accrued expenses, cumulative to date by responsibility center and separately for each cost center. The information is sorted by cost center and functional/subfunctional category at both levels.



U. S. Naval Activity
Washington, D. C. 20390
UIC 66212

30 June 1975

U. S. Naval Activity
Washington, D. C. 20390
UIC 66212

BUD. CLASS CODE												
(a)												
P1	D4	1C10	Administration	3,069	1,300	1,450	7,200	11,500	1,500	9,000		29,200
P1	D4	1C20	Internal Review	27	200	750	800	5,000	500			6,300
P1	D4	1C30	Budget and Statistics		1,000	6,000	6,000	41,000	2,000			49,000
P1	D4	1C40	Accounting	5,800	6,100	16,000	28,000	62,500	2,000			92,500
P1	D4	1C50	Payroll	6,825	8,000	18,100	41,000	91,000	4,000			136,000
P1	D4	1C60	Military Absence		1,000		5,000					5,000
P1	D4	1C00	Subtotal "D4"		17,600	42,300	88,000	211,000	10,000	9,000		318,000
P1	D2	1C20	Internal Review			800		4,000				4,800
P1	D2	1C00	Subtotal "D2"			800		4,000				4,800
P1	D	0000	Total		17,600	43,100	88,000	215,000	10,000	9,000		322,800
P1	M1	8110	Electricity Plant and Steam	4,480	1,700	1,850	8,000	42,000	12,000	980		62,980
P1	M1	8150	Purchased Electricity	1,442		2,020				2,020		2,020
P1	M1	8330	Electricity, Distribution Systems	2,120	700	1,000	4,000	19,000	6,000	2,000		31,000
P1	M1	8000	Subtotal		2,400	8,570	12,000	61,000	18,000	5,000		96,000
P1	M2	8330	Electricity, Distribution Systems						1,000	1,000		2,000
P1	M2	8000	Subtotal						1,000	1,000		2,000
P1	M	0000	Total		2,400	8,570	12,000	61,000	19,000	6,000		98,000
P1			Total Operating Expenses		20,000	51,570	100,000	276,000	29,000	15,000		420,000
			Less: Anticipated Reimbursables									6,000
			Total Direct Expenses (including Mili									414,000
			Change in Undelivered Orders									1,000
			Total Direct Operating Budget									415,000
			Memo Entries:									
			(1) Military Services Authority									100,000
			(2) New Obligational Authority									315,000

OPERATING BUDGET/EXPENSE REPORT

Figure VI-5

A second output report is the Performance Statement, NAVCOMPT Form 2169 (Figure VI-6), again providing information at both the cost and responsibility center level. This report is designed to compare, on a monthly basis, actual year-to-date expenses and work units with the planned figures from the budget.

A third report in the system is the Trial Balance Report, NAVCOMPT Form 2199 (Figure VI-7). It is designed to provide current status of the OB to the OB granter, normally to the major claimant and is, therefore, not of significance to the PWO.

A fourth report is the Budget Classification/Functional Category/Expense Element Report, NAVCOMPT Form 2171 (Figure VI-8). This report is designed to provide information to the major claimant and is not of consequence to the PWO.

A fifth report is the Military Service Report, NAVCOMPT Form 2182 (Figure VI-9). This report provides information on military labor expense and is not of concern to the PWO.

All of the reports discussed in this section are explained in detail in NAVSO P-3006.

d. Cost Accounting Applied to Public Works

The OBS with respect to its specific application to public works is designed to accomplish the following as stated in the NAVCOMPT Manual:

> "The data collected and reported under the cost control system will be used not only to inform management of the maintenance and operation costs of public works programs, but also to evaluate labor performance, to detect

U.S. Naval Activity Washington, D.C. UIC 66212	Naval Material Command Support Activity (Code 1228) Washington, D.C. 20360	1771804.2320	31 Oct 1976
U.S. Naval Activity Washington, D.C. UIC 66212	Chief of Naval Operations	Responsibility Center	J. J. JONES, CDR, USN 15 Nov 1976.

*Y3	D1	1A10	Command and Staff	37,996	455,952	8	60	720	8	633.26	633.26
Y3	D1	1A00		37,996	455,952	8	60	720	8	---	---
*Y3	D1	1HH0	Leave, Annual and Sick	1,000	---	---	---	---	---	---	---
*Y3	D1	1HP0	Leave Acceleration	(3,871)	---	---	---	---	---	---	---
Y3	D1	1H00		(2,871)	---	---	---	---	---	---	---
*Y3	D2	1A10	Command and Staff	250	3,000	8	1	12	8	250.00	250.00
Y3	D2	1A00		250	3,000	8	1	12	8	---	---
*Y3	D2	1U40	Keypunch	100	1,200	8	1	12	8	100.00	100.00
*Y3	D2	1U50	Clerical	200	2,400	8	2	24	8	100.00	100.00
Y3	D2	1H00		300	3,600	8	3	36	8	---	---
Y3	D1	0000	Subtotal D1	35,125	---	---	---	---	---	---	---
Y3	D2	0000	Subtotal D2	550	---	---	---	---	---	---	---
Y3		0000	Subtotal D	35,675	---	---	---	---	---	---	---
*Y4	M1	7110	Training	2,000	24,000	8	20	240	8	100.00	100.00
*Y4	M1	7100		2,000	24,000	8	---	---	---	---	---
Y4	M1	0000	Subtotal M1	2,000	---	---	---	---	---	---	---
Y4		0000	Total M	2,000	---	---	---	---	---	---	---
		0000	Responsibility Center Total	37,675	---	---	---	---	---	---	---

NOTE: 1/ Asterisks (*) denote the level of data to be reported on the detail card submission by mechanized activities.

PERFORMANCE STATEMENT

Figure VI-6

D-UA99 TRIAL BALANCE REPORT NAVCOMPT FORM 2199 PAGE 1

APPN: 1791804.6289 PE/RE FOR PERIOD ENDING 31 JAN 80

FROM 00228 FOR 62271 TO 00062 FOR 00062

NSC OAKLAND, CALIFORNIA NAVPGSCOL CNEY CNEY

MONTEREY CA 93940 PENSACOLA FL 32508 PENSACOLA FA 32508

ACCOUNT NUMBER AND TITLE	BALANCE-PRIOR-MONTH		BALANCES-CURRENT-MONTH		CHANGES-FOR-PERIOD	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
...ASSETS...						
1001 ALLOTMENTS/OBS AUTHORIZED	16,381,000.00		16,381,000.00			
1040* FUNDS COLLECTED AUTO	4,948,791.20		5,794,187.92		845,396.72	
1941 FUNDS COLL AUTO INTRA APPN	864,069.35		949,359.73		85,290.38	
1942 FUNDS COLL AUTO OTH GOV APPN	4,040,627.43		4,793,786.44		753,159.01	
1944 FUNDS COLL AUTO NON-FED SOURCE	44,094.42		51,041.75		6,947.33	
1960 FUNDS DISBURSED		24,139,137.79		25,290,948.96		1,151,812.44
2100* ACCOUNTS RECEIVABLE US GOV AGEN	4,213,545.96		3,651,309.62			562,236.90
2110 *ACCT RECV AUTO BILLED US GOVT	3,326,730.30		2,488,280.91			838,490.30
3111 A/R AUTO BILLED INTRA APPN	677,464.59		592,174.21			85,290.38
3112 A/R AUTO BILLED OTH GOV APPN	2,649,265.71		1,896,106.70			753,152.08
3220 *ACCT RECV AUTO UNBILLED US GOVT	886,815.66		1,163,028.71		276,213.05	
4121 A/R AUTO UNBILLED INTRA APPN	172,084.17		195,100.06		23,015.89	
4122 A/R AUTO UNBILLED OTH GOV APPN	714,731.49		967,928.65		253,197.16	
4200* ACCOUNTS RECEIVABLE PUBLIC	47,455.65		40,239.84			7,215.91
4230 *ACCT AUTO BILLED PUBLIC	23,568.28		16,620.95			6,947.31
4234 A/R AUTO BILLED NON-FED SRCE	23,568.28		16,620.95			6,567.33
4220 *ACCT RECV AUTO UNBILLED PUBLIC	23,887.37		23,618.89			266.48
1226 A/R AUTO UNBILLED NON-FED SRCE	23,887.37		23,618.89			266.48
1322 TRAVEL ADVANCES	191,019.97		190,392.30			627.67
1810* REIMBURSABLE ORDERS RCVD AUTO	10,843,321.34		10,891,534.89		48,218.53	
1811 R/O RCVD AUTO INTRA APPN	1,972,021.60		1,975,234.50		3,212.90	
1812 R/O RCVD AUTO OTH GOV APPN	8,776,023.79		8,820,298.03		44,274.24	
1814 R/O RCVD AUTO NON-FED SOURCES	95,275.95		96,002.36		726.41	
1930 UNDISTRIBUTED EXPENSES/COSTS				8,458.97		8.458.97
1960 UNMATCHED FUNDS DISBURSED	212,989.53		837,713.00		624.723.47	
TOTAL ASSETS	36,838,123.65	24,139,137.79	37,786,377.57	25,299,407.93	1,794,546.79	2,006,563.01
...LIABILITIES						
2000* ACCTS PAYABLE-US GOV AGENCIES		29,595.25		41,778.24		12,182.99
2010 ACCTS PAYABLE-US GOV AGENCIES		29,595.25		41,778.24		12,182.99
2100* ACCTS PAYABLE-PUBLIC		1,044,126.65		846,135.87	197,990.78	
2190 ACCTS PAYABLE_PUBLIC		1,044,126.65		846,135.87	197,990.78	
TOTAL LIABILITIES		1,073,721.90		887,914.11	197,990.78	12,182.99

TRIAL BALANCE REPORT

Figure VI-7

D-UA99 TRIAL BALANCE REPORT NAVCOMPT FORM 2199 PAGE 2

APPN 1791804.6289 PE/RE FOR PERIOD ENDING 31 JAN 80

FROM 00228 FOR 62271 TO 00062 FOR 0 0062

NSC OAKLAND, CALIFORNIA
NAVPGSCOL
MONTEREY CA 93940
CNET
PENSACOLA FL 32508
CNET
PENSACOLA, FL 32508

ACCOUNT NUMBER AND TITLE	BALANCES-PRIOR-MONTH DEBIT	BALANCES-PRIOR-MONTH CREDIT	BALANCES-CURRENT-MONTH DEBIT	BALANCES-CURRENT-MONTH CREDIT	CHANGES-FOR-PERIOD DEBIT	CHANGES-FOR-PERIOD CREDIT
...INVESTMENTS...						
3212 UNCOM/UNDBL AUTH-REIMB PGM						
3230* UNDELIVERED ORD/OUTSTAND OBLIG		758,726.42		633,213.28	125,513.14	
3231 UNDEL ORD/OUTSTAND DBL-DIRECT		640,204.86		549,698.89	90,505.97	
3232* UNDEL ORD/OUTDBL REIMB PROGRAM		1,633,528.53		1,405,797.51	227,731.02	
3233 UNDEL ORDER REIMB INTRA APPN		258,403.49		238,600.50	19,802.99	
3234 UNDEL ORDER REIMB O GOV APPN		1,371,399.16		1,162,476.24	208,922.92	
3236 UNDEL ORDER REIMB NONFED SOURCE		3,725.88		4,720.77		994.89
3239 UNDEL ORDER DIRECT PGM MRP		118,521.56		83,514.39	35,007.17	
3280 DIR UNDBL BAL AVAIL EXPIRED ACC		23,216.20		82,766.33		59,550.13
3310 ACCRUED EXPENDITURES-DIRECT PGM		16,108,231.16		16,066,446.49	41,784.67	
3311 ACCRUED EXPENSES CONTRA	28,672,414.99		28,645,084.46			27,330.53
3320 ACCRUED EXPENSES-REIMB PROGRAM		9,458,498.83		9,472,952.97		14,454.14
3330 ACCRUED EXPENSES-MILITARY PER		3,105,685.00		3,105,685.00		
TOTAL INVESTMENTS	28,672,414.99	31,087,886.14	28,645,084.46	30,766,861.58	396,023.72	102,329.69
...INCOME...						
4010* INCOME-AUTOMATIC		9,209,792.81		9,485,737.38		275,944.57
4011 INCOME-AUTO INTRA APPN		1,713,618.11		1,736,634.00		23,015.89
4012 INCOME-AUTO O GOV APPN		7,404,624.63		7,657,821.79		253,197.16
4014 INCOME-AUTO NONFED SOURCE		91,550.07		91,281.59	268.48	
TOTAL INCOME		9,209,792.81		9,485,737.38	268.48	276,213.05
...EXPENSES...						
5010 COST WORK FOR OTHERS CURRENT YR	8,429,092.90		8,443,547.04		14,454.14	
5020 COST WORK FOR OTHERS PRIOR YR 1	919,418.42		919,418.42			
5030 COST WORK FOR OTHERS PRIOR YR 2	109,987.51		109,987.51			
5310 GEN EXPENSE MILITARY PERSONNEL	3,105,685.00		3,105,685.00			
5321 GEN EXPENSES-OTHER-CURRENT YR	13,431,928.27		13,396,184.62			35,743.65
5322 GEN EXPENSE-OTHER-PRIOR YR 1	852,869.99		852,869.99			
5323 GEN EXPENSE-OTHER-PRIOR YR 2	17,715.94		17,715.94			
5324 GEN EXPENSE MRP CUR YR	1,733,143.67		1,735,561.62		2,417.99	
5325 GEN EXPENSE MRP PRIOR YR 1	73,494.59		73,494.59			
5326 GEN EXPENSE MRP PRIOR YR 2		921.30		921.30		

TRIAL BALANCE REPORT

Figure VI-7

D-UA99 TRIAL BALANCE REPORT NAVCOMPT FORM 2199 PAGE 3

APPN 1791804.6289 PE/RE FOR PERIOD ENDING 31 JAN 80

FROM 00228 FOR 62271 TO 00062 FOR 00062

NSC OAKLAND, CALIFORNIA NAVPGSCOL CNET CNET

MONTEREY CA 93940 PENSACOLA FL 32508 PENSACOLA FL 32508

ACCOUNT NUMBER AND TITLE	BALANCE-PRIOR-MONTH DEBIT	BALANCE-PRIOR-MONTH CREDIT	BALANCES-CURRENT-MONTH DEBIT	BALANCES-CURRENT-MONTH CREDIT	CHANGES-FOR-PERIOD DEBIT	CHANGES-FOR-PERIOD CREDIT
TOTAL EXPENSES	28,673,336.29	921.30	28,654,464.73	921.30	16,872.09	35,743.65
...MEMORANDUM & BUDGETARY...						
9634 REIMB INCOME DTA NON-FED SOURCE	723.15		723.15			
9644 REIMB COLLECT DTA NON-FED SRCE		723.15		723.15		
9951 EXPENSE AVAIL DIR PGM & MIL PER						
9952 EXPENSE AVAIL REIMB PGM						
9961 BUDGETED EXP AVAIL DIRECT PGM		17,417,000.08		17,417,000.08		
9962 BUDGETED EXP AVAIL REIMB PGM		9,458,498.83		9,472.952.97		
9963 BUDGETED EXP AVAIL MIL PERS		3,105,685.00		3,106,685.00		
9964 UNEXP BAL EXP ACCT DIR PGM	1,425,127.92		1,466,913,59		41,784.67	
9991 MIL PERS RESRCES AVAIL	2,989,326.00		2,989,326.00			
9995 MIL PER SERVICES APPLIED		3,105,685.00		3,105,685.00		
TOTAL MEMORANDUM/BUDGETARY	4,415,177.07	33,087,592.06	4,456,961.74	33,102,046.20	46,784.67	14,454.14
GRAND TOTALS	98,599.052.00	98,599,052.00	99,542,888.50	99,542,888.50	2,447,486.53	2,447,486.53
...STATISTICAL...						
0915 CONSIGNMENTS	8,650.00		8,650.00			
0920 FRINGE BENEFITS PAYABLE		20.24		769.16		748.92
0931 UNOB ANL BAL AVL-GP OTH THN MRP		14,456,323.82		14,386,875.96	69,447.86	
0932 UNOB ANNUAL BAL AVAIL FOR MRP		1,901,459.98		1,911,357.71		9,397.73
0949 MRP GROSS ADJ OBLIG	1,878,378.68		1,893,062.56		14,683.88	
0971 GROSS ADJ OBLIG TRAVEL DIR PGM	281,161.13		282,401.91		1,240.78	
0972 GROSS ADJ OBLIG TRAV REIMB PGM	613,105.87		612,467.51			638.36
0998 GROSS ADJ OBLIG-OBLIG AUTH	16,357,783.80		16,298,233.67			59,550.13
0999 GROSS ADJ OBLIG-AUTO REIMB PGM	10,843,321.34		10,891,523.89		48,213.55	
TOTAL STATISTICAL	29,982,400.82	16,357,804.04	28,093,296.98	16,299,002.83	133,586.07	70,835.14

I CERTIFY THAT THE AMOUNTS HEREIN REPORTED ARE IN ACCORDANCE WITH 31 USC 200 AND PRESCRIBED ACCOUNTING PROCEDURES.

A.E. BOARDMAN, CDR, SC USN DATE
DIRECTOR, RFS DEPARTMENT

TRIAL BALANCE REPORT

Figure VI-7

NAVCOMPT FORM 2171 (REV 1-72) NAVCOMPT (OCR-1)

BUDGET CLASSIFICATION/FUNCTIONAL CATEGORY/EXPENSE ELEMENT REPORT

APPROPRIATION DATA	FOR PERIOD ENDED	OB IDENTIFICATION
1731804.2320	31 July 1972	66212
FROM: U. S. Naval Activity Washington, D. C. UIC 66212	**TO:** Naval Material Command Support Activity (Code 1228) Washington, D. C. 20360	OB APPROVED FOR: 66212
		CHARGEABLE UNIT IDENTIFICATION CODE: 66212

CODE		EXPENSES		GROSS ADJUSTED OBLIGATIONS	
		CURRENT MONTH	F.Y.T.D.	CURRENT MONTH	F.Y.T.D.
F3D1A		10,000.00	10,000.00	—	—
F3D1Q		—	—	9,400.00	9,400.00
F3D1T		1,925.00	1,925.00	1,875.00	1,875.00
F3D1U		23,200.00	23,200.00	23,200.00	23,200.00
F3D1	SUBTOTAL	35,125.00	35,125.00	34,275.00	34,275.00
F3DZT		250.00	250.00	275.00	275.00
F3DZU		300.00	300.00	300.00	300.00
F3DZ	SUBTOTAL	550.00	550.00	575.00	575.00
F3D A		10,000.00	10,000.00	—	—
F3D Q		—	—	9,400.00	9,400.00
F3D T		2,175.00	2,175.00	1,950.00	1,950.00
F3D U		23,500.00	23,500.00	23,500.00	23,500.00
F3D	SUBTOTAL	35,675.00	35,675.00	34,850.00	34,850.00
F3 A		10,000.00	10,000.00	—	—
F3 Q		—	—	9,400.00	9,400.00
F3 T		2,175.00	2,175.00	1,950.00	1,950.00
F3 U		23,500.00	23,500.00	23,500.00	23,500.00
F3	TOTAL	35,675.00	35,675.00	34,850.00	34,850.00
F4M1T		1,500.00	1,500.00	1,500.00	1,500.00
F4M1U		500.00	500.00	500.00	500.00
F4M1	SUBTOTAL	2,000.00	2,000.00	2,000.00	2,000.00
F4M T		1,500.00	1,500.00	1,500.00	1,500.00
F4M U		500.00	500.00	500.00	500.00
F4M	SUBTOTAL	2,000.00	2,000.00	2,000.00	2,000.00
F4 T		1,500.00	1,500.00	1,500.00	1,500.00
F4 U		500.00	500.00	500.00	500.00
F4	TOTAL	2,000.00	2,000.00	2,000.00	2,000.00
	GRAND TOTAL	37,675.00	37,675.00	36,850.00	36,850.00

*For month of July use fiscal year to date column only.

BUDGET CLASSIFICATION/FUNCTIONAL CATEGORY/EXPENSE ELEMENT REPORT

NAVCOMPT FORM 2171

Figure VI-8

Commanding Officer U.S. Naval Activity Washington, D.C. 20390	Commanding Officer Naval Material Command Support Activity Code 1228 Washington, D.C. 20360	66212 1771804.2320	October 1976 G. L. CARSON, LT, USN - 1 October 1976

	OFFICERS			ENLISTED			TOTALS			
	Current Month			Current Month			Current Month			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Navy	5	2,500	2,500	25	7,500	7,500	30	10,000	10,000	None
*1/										
*1/										
Totals	5	2,500	2,500	25	7,500	7,500	30	10,000	10,000	None
* Remarks: Ofc Last Reported	None			None						

MILITARY SERVICE REPORT

Figure VI-9

sources and causes of material waste and to determine the effectiveness of continuous inspection."

While the system is essential to the PWO in assisting the PWO in making management decisions, it also provides the information necessary at higher levels in the chain of command in developing major claimant and service-wide statistics and reports. The cost accounting system is the only comprehensive standardized system for comparing public works performance against the budget. The system is designed to readily measure input, but cannot appropriately be used to measure output-oriented performance. This is the dilemma of public sector evaluation, there is no defined output product whose total cost can be compared with its revenue derived in the market place. The customers of a PWO are not free to choose among competing sellers and, therefore, there is no measure of the utility of public works services, only measures of the inputs that developed these services.

The system is designed to accumulate costs of direct and indirect labor and material by job order or equipment code for transportation equipment. Costs included will be both funded and statistical. Statistical costs are those such as military labor that is funded from an appropriation separate from the one that funds the activity's operation and maintenance.

There are basically three input documents to the system: the time card; the material requisition; and the work request. The time card, Labor Job Time Card (NAVDOCK Form 1950, 1955 or 1961), or Bi-weekly Time Card (NAVCOMPT Form

(9110), provides for an accounting of all public works civilian employees' time spent on or off the job during the working hours. The material requisition, DOD Single Line Item Release/Receipt Document (DD Form 1348-1) or Order for Supplies or Services/Request for Quotations (DD Form 1151), provides information on all material and contractual material or service used. Finally, the various work requests, Work Request(NAVCOMPT Form 140), Project Order (NAVCOMPT Form 2053), Work Request (Controlled Maintenance) (NAVFAC Form 9-11014/20) and Shop Repair Order (NAVFAC Form 9-11200/3A), provide the information on how the funds are expended or provide funds from sources other than the normal appropriation (i.e., customer work).

3. Real Property Accounting

NAVFAC has established the Navy Facility Asset (NFA) Data Base to provide information on Class I (land) and Class II (improvements) plant property. The NFA Data Base is designed to allow computerized updating by the activity quarterly. The updating notifies NAVFAC if any Class I or II property has been acquired, improved, outgranted or disposed.

The Property Report (PR) is a record that provides, in one location, a complete description of the individual units of property. It provides the PWO a listing of the inventory of Class I and II property that is readily available, uniform and reasonable easy to update.

F. BUDGETING

1. Definition

A budget for any organizational entity is a financial plan of action. In its broadest sense, budgeting is a systematic technique for overall financial planning.

An operating budget is designed to provide a plan against which performance can be measured, variances analyzed, and adjustments made to permit effective management of resources at all echelons. Although the budget is an annual plan, it must contribute to the attainment of future objectives and missions. It is not an entity unto itself; it has roots in the past and must bear a direct relationship to the future.

The development of an operating budget is a process of determining valid requirements at the lowest echelon (normally a cost center), and summarizing these requirements with those of other cost centers for the total activity. In developing a budget, the cost center manager utilizes those specific guidelines provided by the Commanding Officer.

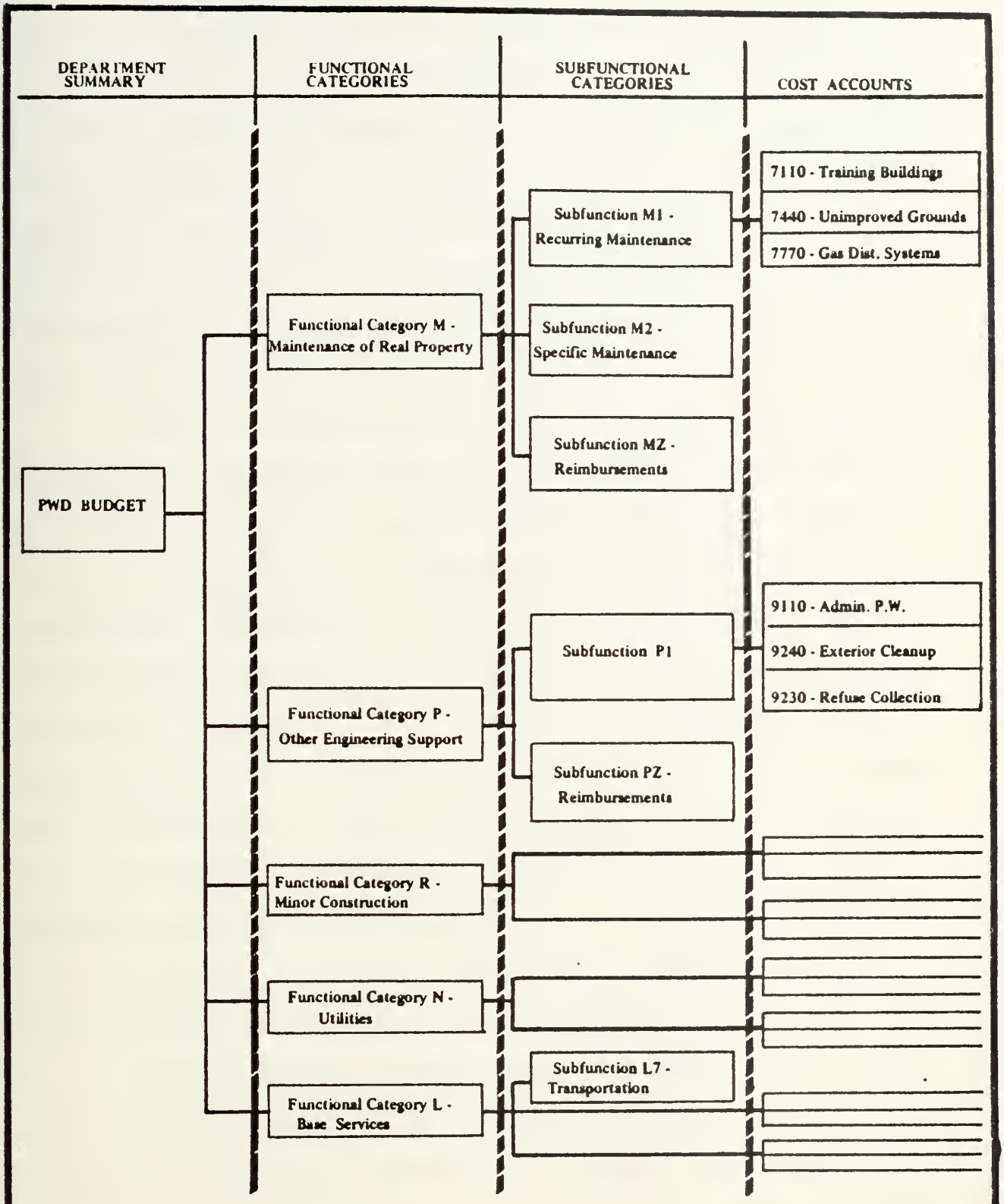
2. Budgeting

One of the merits of the system is that budgeting and cost accumulation are accomplished in the same terms. Since the activity budget is prepared for the major claimant, the major claimant will establish guidelines as to format. Of particular significance under the OBS, is that budgets are documented in the same general format as the expense reports; namely, by responsibility center and cost center to the

functional/subfunctional category and cost account level (Figure ~~VI-10~~). The Operating Budget/Expense Report, NAVCOMPT Form 2168, is the primary budget document. Thus, comparison of actual progress against the planned budget is facilitated.

Generally, budgets are due at the major claimant's in late April. Previous to this, summary targets have been submitted to the activity by the major claimant. At the activity, these targets or annual planning figures (APF) are broken down and spread to the various cost accounts. The APF provides a target to the activity that normally cannot be exceeded in the budget submission without detailed justification.

"Management has asked us all to tighten our belts a bit."



TYPICAL SUMMARIZATION LEVELS ON O&M,N BUDGETS

Figure VI-10

While the APF may specify required minimum expenditures in the public works area (maintenance floor concept), decision making as to where additional resources are expended is done at the station level. Thus, the PWO is in competition with other departments for scarce resources and it is incumbent on the PWO to have prepared a detailed plan for utilization of resources with sufficient justification as to why the resources are required so the PWO is adequately prepared to negotiate during activity budget meetings.

Prior to preparation of the PWD's budget, the PWO must determine the Commanding Officer's priorities in the public works area. In today's austere funding environment, there is never enough money for everything, so priorities must be established. From whatever source, a knowledge of the Commanding Officer's priorities in the public works area is vital to the PWO in shaping financial planning. In selecting those requirements to be deferred or omitted in order to live within the control figures, the PWO must be able to speak in terms of costs and benefits on tradeoffs, especially if the PWO is recommending deferring a requirement in which the Commanding Officer is greatly interested. The PWO must realize that the final decision on priorities rests with the Commanding Officer.

The PWO should be aware that the budget is not static. In fact, soon after it is prepared and the yearly allocation of funds is made to the activity, the budget will normally have to be updated. Invariably, the allocation does not match the APF that the budget is based on. If the budget was properly

constructed and priorities determined, updating should present no significant problem. As the fiscal year progresses, the budget will require updating as priorities change, funding changes or mission changes. At times the budget may need updating because of invalid assumptions or mistakes in its preparation. The point is that the budget is a dynamic tool for use by the PWO in day-to-day decisions.

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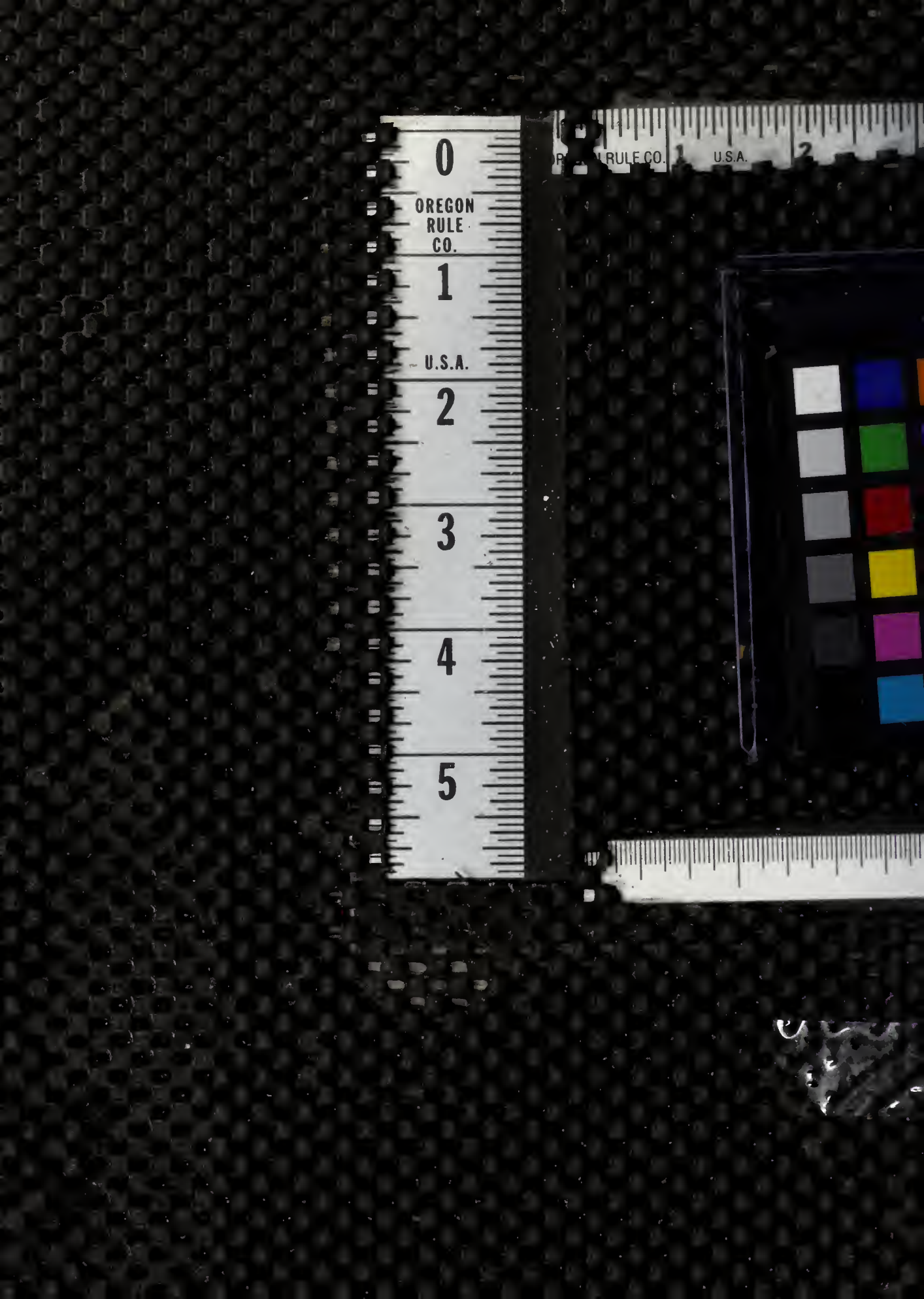
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THESIS

NAVY PUBLIC WORKS ADMINISTRATION

by

Donald Macpherson Haydon, Jr.

and

Kenneth Neil Schroeder

[pt. 2]

June 1980

Thesis Advisor: R. B. Cunningham

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20. ABSTRACT (Continue on reverse side if necessary and identify by block number)

This thesis is a textbook for a course of study in Navy Public Works administration; it is intended to be an overview of all functions related to the management of Naval shore facilities. Chapter I defines the functions, responsibilities and organization of the Public Works Department. Chapter II provides a summary of the operation and management of a Public Works Center, a separate command which serves all activities in a given area. Chapters III

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and IV deal with real property management and shore facilities planning and programming. The essence of Navy facilities management--the maintenance management system--is discussed in Chapter V. Chapters VI and VII concern Public Works Department resources--the budgeting and accounting for financial resources, and the regulations and policies which impact upon civilian and military personnel management. The various contracts which are available for Public Works support are addressed in Chapter VIII. The remaining five chapters cover specific Public Works management concerns--family housing administration, utilities management, transportation equipment management, safety, and the environment.

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Navy Public Works Administration

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CHAPTER VII

PERSONNEL

A. CIVILIAN PERSONNEL MANAGEMENT----------481

1. Civil Service Reform Act, 1978----------481

a. Background----------481

b. New Organization----------482

c. New Procedures and Provisions----------484

d. Other Features of the Act----------491

2. Organization and Functional Responsibilities for Civilian Personnel Management----------492

3. Staffing the Public Works Department----------497

a. Organization----------497

b. Categories of Employment----------498

4. The Position Description----------499

a. When Position Descriptions are Needed----------500

b. Preparation of a Position Description----------500

c. Instructions for Preparing of Graded Positions----------500

d. Review and Audit----------505

e. Who Writes Position Descriptions----------506

5. Compensation----------510

a. Pay Levels----------510

b. Federal Wage System (FWS)----------512

c. Selection for and Appointment to Positions and Jobs----------515

d. Career-Conditional Appointments----------519

e. Probationary Period----------519
f. Temporary and "TAPER" Appointments----------521
g. Hours of Work----------522
h. Compensatory Time Off----------524
6. Administration----------525
a. Maintenance of Personnel Records----------525
b. Leave Administration----------525
c. Employee Training----------528
d. Performance Evaluation----------529
e. Quality (Performance) Salary Increases---------547
f. Promotion----------549
7. The Incentive Award Program----------551
a. Types of Awards----------552
b. Beneficial Suggestion----------552
c. Superior Accomplishment----------552
8. Disciplinary Actions----------553
a. Disciplinary Actions----------553
b. Demotions----------556
9. Grievances and Adverse Action Appeals----------563
a. General----------563
b. Appeals From Action Based on Unacceptable Performance, Personal Causes and Other Reasons----------564
10. Separation and Reduction-in-Force----------569
a. Separations----------569
b. Resignations----------569
c. Reduction-in-Force----------569

11. Equal Employment Opportunity----------575

12. Labor-Management Relations in the Federal Service----------578

a. Principal Right of Unions----------582

b. Supervisor-Employee Relationships----------584

c. Supervisor-Steward Relationships----------584

d. Manager-Supervisor Relationships----------586

13. Employee Services----------588

B. MILITARY PERSONNEL----------590

1. Seabee: Personnel----------590

a. Background----------590

b. Construction Battalion Units (CBUs)----------591

c. Seabees in the Public Works Department----------591

2. Other Military Personnel----------592

APPENDIX A----------593

BIBLIOGRAPHY----------599

SUGGESTED REFERENCES----------599

VII: PERSONNEL

A. CIVILIAN PERSONNEL MANAGEMENT (CECOS, 1979)

1. Civil Service Reform Act, 1978

a. Background

On October 13, 1978, President Carter signed the Civil Service Reform Act, designed to improve government efficiency and to balance management authority with employee protections. Among the major features of the Act are an independent and equitable appeals process; protection against abuse of the merit system; and incentives and rewards for good work and skilled management. Most of the features became effective in January, 1979, through provisions of the Civil Service Reform Act.

Together with these reforms, Congress approved Reorganization Plan No. 2, also effective January, 1979, to divide the functions of the present U.S. Civil Service Commission between two new agencies, an Office of Personnel Management (OPM) and an independent Merit System Protection Board (MSPB). The plan also established a new Federal Labor Relations Authority (FLRA) to oversee Federal labor management policies and to provide leadership in administering these policies.

Under separate authority, Reorganization Plan No. 1 of 1978, the Equal Employment Opportunity Commission will take over from the Civil Service Commission the leadership and enforcement of provisions of the Civil Right Act affecting

the Federal government. This transfer of functions, which also occurred in January, 1979, will include hearing and resolving certain discrimination complaints.

b. The New Organization

As a result of Reorganization Plan No. 2, the U. S. Civil Service Commission was abolished in January, 1979, and its functions divided between two new agencies. An Office of Personnel Management (OPM) will provide leadership in managing the Federal work force. An independent Merit Systems Protection Board (MSPB) will resolve employee complaints and appeals. A third agency, the Federal Labor Relations Authority (FLRA), will administer the Federal labor relations program and investigate alleged unfair labor practices.

(1) Office of Personnel Management. The Office of Personnel Management will assist the President in carrying out his responsibilities for management of the Federal work force. The office will be headed by a director and deputy director appointed by the President and confirmed by the Senate.

OPM will take over many of the current responsibilities of the Civil Service Commission. These include central examining and employment operations, personnel investigations, personnel program evaluation, executive development and training. OPM will administer the retirement and insurance programs for Federal employees and will exercise management leadership in labor relations and affirmative action.

As the central personnel agency, OPM will develop policies governing civilian employment in Executive branch agencies and in certain agencies of the Legislature and Judicial branches, and will help agencies carry out these policies. Subject to its standards and review, OPM will also delegate certain personnel powers to agency heads.

(2) Merit Systems Protection Board. The Merit Systems Protection Board (MSPB) will be the independent agency to safeguard both the merit system and individual employees against abuses and unfair personnel actions. The MSPB will be headed by a board of three members appointed on a bipartisan basis to seven year nonrenewable terms. The Board will hear and decide employee appeals and order corrective and disciplinary action against an employee or agency when appropriate. It will also oversee the merit system and report annually to Congress on how the system is functioning. The Federal Employee Appeals Authority and Appeals Review Board was abolished when MSPB was established.

Within the MSPB will be an independent Special Council, appointed by the President for a five year term. The Special Council has the authority to investigate charges of prohibited personnel practices, including: reprisals against whistle-blowers; to ask the MSPB to stop personnel actions in cases involving prohibited personnel practices; and to bring disciplinary charges before the MSPB against those who violate merit system law.

(3) Federal Labor Relations Authority. The Federal Labor Relations Authority (FLRA) will oversee the creation of bargaining units, supervise elections, and deal with labor-management issues in Federal agencies. The FLRA will be headed by a chairman and two members, who will be appointed on a bipartisan basis to staggered five year terms. The FLRA replaced the Federal Labor Relations Council.

Within the FLRA, a General Counsel, appointed to a five year term, will investigate alleged unfair labor practices and prosecute them before the FLRA. Also with the FLRA and acting as a separate body, the Federal Service Impasses Panel will resolve negotiation impasses.

c. New Procedures and Provisions

(1) Performance Appraisal System. In January, 1979, the current government-wide requirement for adjective performance ratings (Outstanding, Satisfactory, Unsatisfactory) were repealed so that each agency could develop and phase in its own appraisal system(s). The new systems are to be fully effective in most Federal departments and agencies by 1981.

Performance appraisals under the new systems will be a basis for decisions to train, reward, assign, promote, demote, retain, or remove employees for reasons other than misconduct. Agencies have been encouraged to have employees participate in establishing performance objectives for their jobs.

Specifically, the new appraisal systems must make it possible for agencies to:

- -Advise employees on what the critical elements of their jobs are;
- -Establish performance standards that will permit an accurate evaluation of job performance on the basis of objective, job-related criteria;
- -Assist employees in improving unacceptable performance; and
- -Reassign, demote, or remove those employees whose performance continues to be unacceptable, but only after they have been given an opportunity to show that they can perform acceptably and have failed to improve.

The Act requires agencies to inform employees of the critical elements of performance standards of their jobs by 1 October 1981. During the interim period, OPM will require agencies to provide written warnings to employees prior to the initiation of demotion or removal actions based on poor performance.

If an agency proposes to remove or demote an employee because of poor performance, and if the employee's performance becomes acceptable and remains acceptable for one year, the record of the poor performance will be removed from agency files.

(2) Procedures for Adverse Actions and Appeals. Since January, 1979, adverse actions, such as removals, suspensions for over 14 days instead of 30 days, and reductions in grade or pay, can be appealed to the MSPB. Employees in organized bargaining units may, under their negotiated agreements, ask their union to seek arbitration instead of appealing to MSPB.

If an agency proposes to demote or remove an employee because of unacceptable performance, that employee is entitled to:

- Receive written notice from the agency 30 days prior to the proposed action;
- Be represented by an attorney or other representative;
- Answer orally and in writing within a reasonable time; and
- Receive a written decision, agreed to by a higher level supervisor than the one who proposed the action, which states the reason for the action. An agency's final decision must be provided in writing within 30 days after the end of the notice period.

If any agency decides to demote or remove an employee at the end of the notice period, the employee may appeal to the MSPB for a hearing or, if within a bargaining unit, the employee may use the grievance arbitration procedure. The agency's decision will be upheld if it is shown by substantial evidence that the employee failed to meet performance standards for one or more critical elements of the job. For adverse actions based on grounds other than poor performance, an agency's decision to remove an employee must be supported by a preponderance of evidence.

Any agency's decision will not be upheld if an employee shows that the decision:

- Was based on harmful procedural errors on the part of the agency;
- Was based on any prohibited personnel practice; or
- Was unlawful.

These standards will apply whether the adverse action is appealed to MSPB or resolved by an arbitrator.

Agencies whose decisions are reversed may be required in certain cases to pay employees for reasonable attorney fees. These payments might occur in cases where agencies engaged in prohibited personnel practices. Decisions or orders of MSPB are appealable to the U.S. Court of Appeals or, in matters of pay, to the Court of Claims.

(3) Complaints Involving Discrimination. The Act provides for new procedures in handling discrimination complaints in two situations. The first situation includes agency actions which the employee claims were discriminatory and which are of a type that may be appealed to MSPB (e.g., removals and demotions). These are called "mixed cases". An agency will have 120 days to try to resolve the discrimination issue by using counseling and investigation. If an employee is not satisfied with the final agency decision, or if time runs out, that employee may appeal to MSPB. Another option with a "mixed case" is that the union may call for grievance arbitration.

An employee may not appeal a "mixed case" directly to the Equal Employment Opportunity Commission (EEOC). However, an employee may ask EEOC to review the MSPB decision. Another procedure would be followed if EEOC and MSPB do not agree.

The second situation includes discrimination complaints about actions or failures to act which are not appealable to MSPB (e.g., promotions or working conditions). In this case, an employee may appeal the final agency action

directly to EEOC, or a union may call for grievance arbitration procedures for processing discrimination complaints. MSPB will play no part in these decisions.

Regardless of whether the decision is made by MSPB, EEOC or an arbitration procedure, an employee will have the right to appeal that decision to a U.S. District Court.

(4) Special Counsel Protection. The Special Counsel to the MSPB is an independent investigator and prosecutor. This individual is appointed by the President for a five year term. Specifically, the Special Counsel will investigate charges that agency officials:

- -Undertook prohibited personnel practices, including reprisals against whistle-blowers;
- -Engaged in prohibited political activity;
- -Withheld information under the Freedom of Information Act without just reason;
- -Discriminated in violation of law; or
- -Carried out activities prohibited by any other Civil Service law, rule or regulation.

After these investigations, the Special Counsel may bring disciplinary charges before the MSPB against officials if the evidence shows a probable violation. They may be reprimanded, removed, fined or barred from Federal employment.

The Special Counsel has the authority to protect whistle-blowers. Whistle-blowers are those employees or applicants who expose practices which they reasonably believe constitute mismanagement, gross waste of funds, abuse of authority or danger to public health or safety. Employees or

applicants who make disclosures specifically prohibited by law or Executive Order will not be protected.

The Special Counsel will investigate charges of reprisal without revealing the identity of the whistle-blower, and may petition any member of the MSPB to stop any personnel action while the matter is under investigation. The results of the investigation will be reported to the whistle-blower.

Agencies may be required to conduct investigations and prepare reports on the substance of complaints made by whistle-blowers. In such cases, the Special Counsel will review the agency reports to determine whether they contain sufficient information and whether the findings appear reasonable. Copies of the agency reports will be sent to the President and to Congress and to the persons who filed the complaints.

(5) Changes in Federal Labor Relations. The Civil Service Reform Act contains a number of new provisions which will clarify the roles and responsibilities of labor organizations and which will, to an extent, expand the rights of employees in collective bargaining units. The Act affirms the basic right of Federal employees to form, join and assist labor organizations. It also prohibits strikes and work slow-downs, as well as picketing that interferes with government operations.

For most matters, employees working in organized bargaining units must use the grievance arbitration

procedures negotiated by the union. An exception is made for adverse actions and discrimination complaints. In such cases, employees may use either the negotiated procedures or the appeals procedure. The union is required to represent all employees in the bargaining unit who choose the negotiated procedures, whether or not they are members of the union.

The issues subject to collective bargaining will remain generally the same as before the Act. However, departments and agencies, such as OPM, OMB and GSA, which issue government-wide regulations affecting Federal employees, will be required to consult with labor organizations representing a substantial number of employees over any substantive changes. In addition, a union that represents, in one bargaining unit, a majority of affected employees will be able to negotiate without regard to their own agency's regulations on matters otherwise within the scope of bargaining.

The Act makes all types of management actions subject to collective bargaining unless specific "management rights" exist. They reserve to agency officials the authority to make decisions and take actions which are not subject to the collective bargaining process, and exclude bargaining on Federal pay and benefits or nonvoluntary payment to unions by employees. The changes in the management rights area will:

- Prohibit agencies from bargaining on mission, budget, organization, number of employees, or internal security; and

- Permit, but not require, them to negotiate over the methods, means and technology of conducting agency operations. Management will have the right to determine whether vacant positions may be filled only by persons within the agency or by persons within and outside the agency.

Other new provisions in the Act included:

-A time limit of 45 days for agency heads to decide if a proposed action is negotiable. The decision may be appealed to the FCRA;

-Court enforcement of FCRA decisions and orders, including judicial review in unfair labor practice cases;

-Provisions for back pay and attorney fees for employees subject to unjustified or unwarranted personnel actions;

-Dues withholding, based on voluntary allotments by employees, at the exclusive union's request. The allotments are irrevocable for one year, and the withholding service is at no charge to the employee or the labor organization; and

-Official time during regular working hours for employees representing unions in negotiations.

d. Other Features of the Act

-Agencies will conduct minority recruitment programs to help eliminate underrepresentation of minority groups in the Federal work force. The Office of Personnel Management and the Equal Employment Opportunity Commission will provide guidelines and assistance;

-Nonpaid work by students in connection with educational programs is permitted, provided they do not reduce opportunities for regular employees;

-Employees who would otherwise be separated under reductions-in-force may be retrained for jobs in other agencies;

-Until January, 1981, the total number of civilian employees in the Executive branch is limited to the number of employees on board as of 30 September 1977. Postal Service and Postal Rate Commission employees are excluded from this total;

-Employees who are age 50 with 20 years of service or who, regardless of age, have 25 years of service, may choose early retirement in major reorganizations, transfers or functions, or reductions-in-force;

-OPM must notify the U.S. Employment Service about competitive examinations it administers. Agencies must provide both OPM and the U.S. Employment Service equal information about positions for which they are seeking candidates outside of the Civil Service system;

-The mobility program authorized by the Intergovernmental Personnel Act has been extended to include additional types of organizations and individuals. Federal employees who accept these assignments must return to the Federal Government for a period equal to that of the assignment;

-Subject to its standards and review, OPM may delegate authority for personnel management functions, including certain competitive examinations, to heads of agencies employing persons in the competitive service;

-The combined retirement pay and Federal Civilian salary received by future retirees of the uniformed services may not exceed the pay for Executive Level V; and

-Federal agencies are authorized to adopt OPM's merit system standards as a personnel requirement for grants to state and local government.

2. Organization and Functional Responsibilities for Civilian Personnel Management

The Secretary of the Navy delegates the following functions to the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics): (See Figure VII-1).

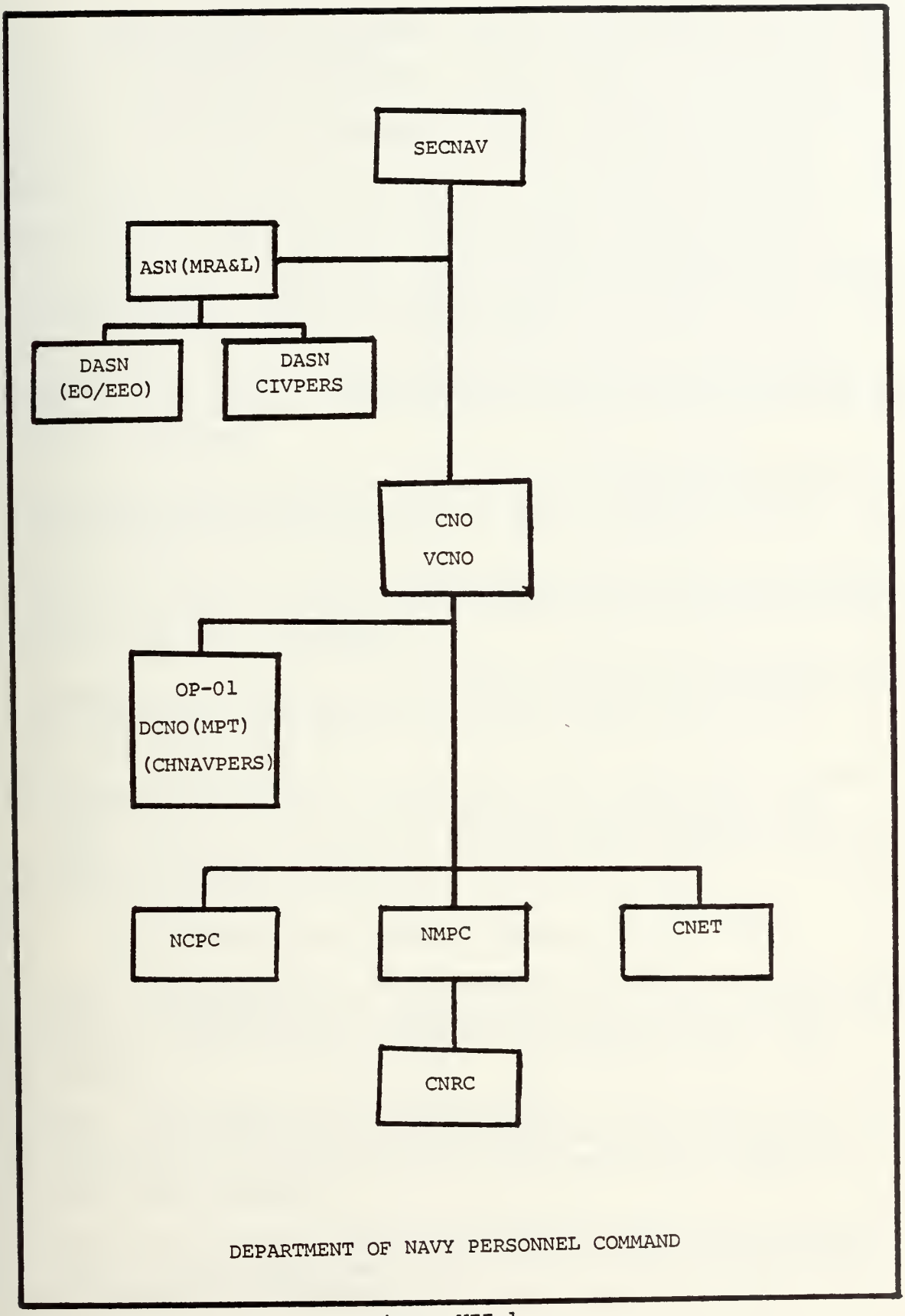
-Formulation and issuance of Department of the Navy guidance/direction on civilian personnel policies and equal employment opportunity policies;

-Representation of the Department of the Navy with the Office of the Secretary of Defense, the other military departments, the Office of Personnel Management and other external agencies in all matters affecting civilian personnel and equal employment opportunity policy except as delegated to the CNO in specific instances;

-Formulation of Department of the Navy positions on legislation, proclamations and Executive Orders affecting civilian personnel policy and equal employment opportunity policy;

-Providing civilian personnel policy and equal employment opportunity policy guidance and coordination to Department of the Navy nonappropriated fund employees; and

-Monitoring and evaluation of Department of the Navy civilian personnel, Equal Opportunity and Equal Employment Opportunity programs to assure effectiveness and compliance with regulations and SECNAV guidance and policies.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DASN (EO/EEO)
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CNO
VCNO
OP-01
DCNO (MPT)
(CHNAVPERS)
NCPC
NMPC
CNET
CNRC
DEPARTMENT OF NAVY PERSONNEL COMMAND

Figure VII-1

The position of Deputy Assistant Secretary of the Navy (Civilian Personnel) [DASN(CP)] in the Office of the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics) [ASN(M,RA&L)] has been established. The DASN(CP) assists the ASN(M,RA&L) in carrying out the following responsibilities:

- Formulate and promulgate policy guidance on civilian personnel matters within the Department, covering appropriated and nonappropriated fund personnel;

- Support the ASN as functional head of the civilian personnel career program and chairman of the Board of Governors of the program;

- Coordinate and ensure appropriate consistency of application and representation of civilian personnel matters between Navy and Marine Corps;

- Evaluate the civilian personnel programs of the Navy and Marine Corps with respect to effective policy and program execution and performance;

- Formulate Department of the Navy position on legislation, proclamations and Executive orders affecting civilian personnel policy; and

- Represent Department of the Navy with the Office of the Secretary of Defense, other military departments and other external agencies on matters affecting civilian personnel policy, except as delegated to the CNO and the CMC in specific instances.

The DASN(CP) has the following requirements:

- Chair and administer the Department of the Navy Labor Relations Council with representation from the Secretariat, CNO, CMC and Special Assistant Non-appropriated Funds (SANAF);

- Chair and administer the Department of the Navy Civilian Personnel Policy Council with representation from the Secretariat, CNO, CMC and Special Assistant Nonappropriated Funds (SANAF);

- Manage the on-site evaluation both of civilian personnel and of equal employment opportunity policy and program execution and performance.

The position of Deputy Assistant Secretary of the Navy [Equal Opportunity DASN(EO)] is established. The DASN(EO) will assist the ASN(M,RA&L) in carrying out the following responsibilities:

- Formulate and promulgate policy guidance on equal opportunity and equal employment opportunity within the Department covering military, active and reserve personnel, and civilian, both appropriated and nonappropriated fund, personnel;

- Coordinate and ensure appropriate consistency of application and representation of equal opportunity/equal employment opportunity between the Navy and Marine Corps; and

- Evaluate the equal opportunity/equal employment opportunity programs of the Navy and Marine Corps with respect to effective policy and program execution and performance.

The DASN(EO) will chair and administer the Department of the Navy Equal Opportunity Policy Council with the representatives from the Office of the Secretary of the Navy, CNO, CMC, OCG, and the Special Assistant to the ASN(M,RA&L) for Nonappropriated funds.

In order to implement the transfer of functions and responsibilities, the CNO will establish the position of Assistant Deputy Chief of Naval Operations (Civilian Personnel/EEO) [ADCNO(CP/EEO)]. Within the Office of the Chief of Naval Operations, the Deputy Chief of Naval Operations(Manpower, Personnel and Training) DCNO(M,P&T)], will be tasked with implementation of CNO civilian personnel management and equal employment opportunity responsibilities. For the CNO, the DCNO(M,P&T), with the assistance of the ADCNO(CP/EEO), will be responsible for the following:

- Develop and issue civilian Department of the Navy personnel directives and guidance (Civilian Personnel Instructions and Civilian Personnel Letters) based on policies established by the Secretary of the Navy;

- Develop and issue Navy EEO implementing directives and guidance based on policies established by the Secretary of the Navy; and

- Coordinate the efforts of Navy commands and activities in civilian personnel and EEO policy implementation and program performance.

The incumbent of the position of Assistant Deputy Chief of Naval Operations Civilian Personnel/EEO will serve as the Special Assistant for Civilian Personnel/EEO to the DASN(CP) and the DASN(EO). In this regard, the ASN(M,R&L) should participate in the selection process when filling the position of ADCNO (CP/EEO). The Special Assistant for Civilian Personnel/EEO has the following responsibilities: serve on the staff of the Secretary of the Navy as principal assistant and provide staff support to the Deputy Assistant Secretary of the Navy (Equal Opportunity) for the development of civilian personnel and EEO policy. In carrying out these responsibilities, the incumbent in this position is authorized to sign "By direction of the Secretary of the Navy" in:

- Issuing Civilian Marine Personnel Instructions(CMPIs); according recognition to employee organizations at the national level and approving/disapproving negotiated labor agreements; and adjudication of wage grade and position classification appeals;

- Approval of memoranda or agreements of understanding among the DOD components relating to uniform policies and practices. Many of these agreements involve setting conditions of employment for foreign national employees overseas. Significant controversial subjects will be brought to the attention of, or referred for approval of, the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics); and

-Matters involving unresolved differences between CNO [ADCNO(CP/ASCP/EEP)] and CMC, will be referred to the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics) for resolution. Services provided to the Marine Corps will continue under a Memorandum of Agreement.

The Federal Personnel Manual (FPM) contains the Civil Service regulations and guidelines on every aspect of personnel managing: hiring, firing, training, negotiating, paying, granting leave, appealing, handling grievances, etc. The Navy Civilian Manpower Management Instructions (CMMIs) supplement the FPM with guidance on civilian personnel management. The CMMIs are interwoven through the FPM where Navy interpretations or additional guidance are necessary. Each civilian personnel office has a CMMI/FPM volume which is available to any Department of the Navy manager or employee.

3. Staffing the Public Works Department

a. Organization

The first step in organization is to establish the type and number of positions that will be required for the performance of alloted tasks at an activity, or unit within an activity.

On the basis of the organization, each Navy activity is assigned a definite Fiscal Year end strength for civilian positions. Previously, activities operated under personnel ceilings, which could not be exceeded without prior permission from the sponsor command or bureau.

The end-year target employment level is usually set by the sponsor command or office for an activity as a

whole; the various billets are assigned to the department and other units according to comparative workloads. The employment strengths may be temporarily exceeded provided the activity budget contains funds for temporary hires; if not, sponsor commands or office permission is necessary. A PWO who must plan the organization of his department will find it advisable to refer to the suggestions and guidelines given in NAVFAC P-318, Organization and Functions for Public Works Department.

OPNAVINST P-5310.5A, Section 50, U.S. Navy Staffing Criteria Manual for Activities Ashore (Public Works Section), gives a general description of key billets and outlines qualitative and quantitative personnel requirements, both military and civilian, for each type and size of public works activity.

Another source from which the PWO can obtain advise and assistance with the work of establishing civilian jobs and positions is the cognizant Engineering Field Division. The staff of this latter office will usually include some person with the necessary knowledge and experience to help in setting up positions.

b. Categories of Employment

There are two categories of employment that were established by the Classification Act of 1949. The two categories are graded and ungraded.

(1) Graded Positions. In the case of graded positions, a position description must be prepared for each new position and each changed position, showing its duties and

responsibilities. Analysis and evaluation of the position by the proper authority (usually the Civilian Personnel Office of the activity) will result in the classification of the position; that is, the proper grade, title and pay will be determined.

Examples of graded positions are clerk-typist, computer operator, computer programmer and a firefighter. Graded employees are commonly called "white collar workers".

(2) Ungraded Positions. In the Navy, ungraded jobs are grouped into categories called positions. A position includes all jobs which are sufficiently alike in duties and qualification requirements that:

- They can logically be called by the same title;
- The same range of local pay rates can be applied to them with equity; and
- The same test of fitness can be applied satisfactorily for recruitment and placement.

Each activity must have on file a job description for each rating it is using. Since many positions in the Public Works Department are ungraded, the PWO should become familiar with FPM 532, the Federal Wage System (FWS).

Examples of ungraded positions are wood craftsman, pipefitter, electrician and mechanic. Ungraded employees are commonly called "blue collar workers".

4. The Position Description

A position description is an official written statement of the major duties, responsibilities, and supervisory relationships of a position. Because positions exist in such

great variety, the form of a description cannot be predetermined, and it is usually simply typed on plain paper and attached to a copy of form NAVSO 12510/7 (Rev. 10-67), Position or Job Description, a cover sheet used for purposes of identification or certification. See Figure VII-2.

a. When Position Descriptions Are Needed

A position description is needed when a new position is established. A new description is also needed when any of the duties, responsiblities, or organizational capacities of a previously established position have been materially changed. In this case, the position will have changed, and may therefore require new classification action.

b. Preparation of a Position Description (PD)

In developing a PD, too much detail can result in obscuring the essential facts. Therefore, it is wise to be as brief and concise as possible rather than to submit a long, involved description covering, for example, eight or ten pages.

However, the data on the PF must be clear, complete and accurate, so as to provide an adequate basis for the classification. The positions classifier who will use the PD to make the classification recommendation is trained in the application of classification standards, but he is dependent upon the PD for the facts in each specific case.

c. Instruction for Preparing Descriptions of Graded Position (NAVEXOS 12510/7A)

(1) General Information. Descriptions should be written in plain, clear language using short, factual statements. General, indefinite terms and vague expressions should

NUMERICAL COPY

DEPARTMENT OF THE NAVY

POSITION OR JOB DESCRIPTION

NAVSO 12510/7 (REV. 10-67)
(See Instructions on Back)

NSN 7540-01-942-4140

☐ vice ☒ new No. 518

OFFICIAL CLASSIFICATION OR OTHER ACTION

POSITION OR JOB TITLE	GRADE OR PAY	TYPE	CHANGE FACTOR (Classification Purposes)	CLASS CODE (Classification Purposes)	CLASSIFIER'S SIGNATURE, TITLE AND DATE (Classification purposes)
1 PRESENT POSITION					
2 PROPOSED					
3 PRESENT OFFICIAL	Wood Craftsman	WG	4605	10	JERRY JACKSON Principal Classifier
4 RECOMMENDED					5 NAME OF EMPLOYEE: Walter E. Ratcliff

POSITION OR JOB LOCATION

6 a. (1st) NAME AND LOCATION: Naval Postgraduate School Monterey, California 93940	6 b. (2nd) Shops Division
7 a. (1st) ORGANIZATIONAL SUBDIVISION (Title): Director of Military Operations	7 b. (Title): Bldg. Maint. & Transp. Br. (WC-01)
8 a. (2nd) Public Works Department	8 b. ORG. ADDITIONAL TITLE OF POSITION OR JOB (If any)

12 EMPLOYEES NOW PERFORMING DUTIES: (Ungraded jobs only)

(No.)	(Title)	(No.)	(Title)

FOR INITIATING OFFICE ACTION

REASON FOR SUBMISSION

[X] 13 NEW AND ESTABLISHED POSITION/JOB DESCRIBED HEREIN

CERTIFICATIONS

The description of the duties and responsibilities of this position or job is complete and accurate

14 ATTACHED AMENDMENT (No.)	PAY OR GRADE	CLASS OR RATING	19 Signature (Employee) / Date
15 IDENTICAL TO			20 Signature and Title (Immediate Supervisor) / Date: (Please sign certificate in Item 22 below) (Position No., Class* Series or Rate)
16 ATTACHED STATEMENT OF DIFFERENCES			
17 SUPERSEDES	311	WG-4605-10	21 Signature and Title (Person authorized to recommend position / job) / Date: J. M. WOOD, CDR, CEC, USN, Public Works Officer
18 OTHER (Specify): Maintenance Review			

22 SIGNATURE & TITLE (Immediate Supervisor)

I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out government functions for which I am responsible. This certification is made with the knowledge that this information is to be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations.

Job graded IAW OPM JGS for Wood Craftsman, WG-4605 dated January 1971

PATRICK MAHONEY, General Foreman — Date

CFI. SPC: C BOC:
FLSA: ~~Exempt~~/Nonexempt

The classification of this position may be appealed by the incumbent at any time. Appeals from classification actions which result in demotion or reduction in compensation must be timely in order for retroactivity to apply. Consult your classifier or appropriate activity instruction for procedures. Civil Service Commission classification standards and Department of the Navy classification guides are available for review in the Page and Classification Office.

23 CLASSIFICATION OR RATING (Initials and Date)					

POSITION OR JOB DESCRIPTION

Figure VII-2

I. INTRODUCTION

This job is located in the Carpenter Work Center, Maintenance and Transportation Branch, Shops Division, Public Works Department, Naval Postgraduate School, Monterey, California. The purpose of this job is to provide the highest quality of woodcraftsman service and carpentry service to the Naval Postgraduate School, Fleet Numerical Weather Central, Naval Environmental Prediction Research Facility, La Mesa Housing Village, and other tenant activities.

II. TYPICAL WORK PERFORMED

A. Makes and repairs high-grade wooden items such as cabinetry, furniture, and decorative woodwork for use in homes, offices, boats, ships, and for medical and other uses. These items have intricate, precise, and fancy features and details, such as curved and contoured surfaces, book-matched panels, scroll work, friezes, inlays, and complex joints. Plans and lay-out work from specifications, blueprints, sketches, and oral instructions. Selects, cuts, turns, shapes, joins, bonds, fits, assembles, and decorates wooden materials and parts using the full range of hand and power woodworking tools, machines, and techniques. Takes into consideration the tooling, durability, cost, strength, and appearance characteristics of a variety of softwoods, hardwoods, plywoods, veneers, and wood substitutes when planning and completing projects. Works with little or no guidance after receiving assignments. Supervisor (Woodcraftsman Leader) reviews completed work for compliance with plans and specifications and for timeliness.

B. Constructs, alters, repairs, or modifies items and structures such as framework, rafters, doors, finished paneling, windows, interior and exterior trim, and trusses and beams where accuracy, spacing, and fit are essential and structural soundness are important.

C. Performs all phases of carpenter work such as constructing and installing forms, setting mud sills, installing floor joists and bridging, laying sub-flooring, installing bottom plates, laying out studs, doors and window openings, installing trimmers, headers, and cripples, etc.

D. Must have the ability to set forms to meet precise job specifications in accordance with type and shape of structures and material. Must be able to finish surfaces to specified desired finish and texture. Must be able to perform finish work such as rolling curbs and shaping drainage areas.

E. Must be able to apply adhesive materials and different types of floor tiles and coved bases in accordance with accepted trade practices.

F. May be required to operate a motor vehicle up to and including 2-ton capacity to and from job sites.

G. Performs all other duties as assigned.

III. SKILL AND KNOWLEDGE REQUIRED

A. Must have the ability to make a wide variety of wooden items with unique and intricate shapes and designs and with a number of interlocking parts which must precisely fit and join.

B. Must have considerable planning and layout ability. Must be able to interpret and check plans, blueprints, and sketches; visualize the item to be made; compute, check, and insure the consistency of the dimensions of a number of interlocking parts; make templates and patterns; select appropriate machines, tools, and techniques; and plan the sequence of the work.

C. Must be able to do precise, intricate work with power shapers, mortisers, jointers, routers, lathes, and various other woodworking tools. Must be able to devise fixtures, templates, and jigs to hold or guide items in woodworking machinery. Must be able to use machines to do work for which they may not have been specifically designed.

D. Must be able to assemble or make patterns for non-standard cutter edge shapes. Must have skill in developing curved, contoured, and shaped surfaces and features such as inlays, scroll work, carving, miniature parts, matched panels, matched contours, and complex joints.

E. Must have skill in laminating, veneering, plastic overlaying, steam bending, and grain matching. Must have extensive knowledge of the various properties and characteristics of a wide variety of hardwoods, softwoods, plywoods, veneers, wood substitutes, gluing and bonding agents, and other woodworking materials. For example, must know the characteristics of wood and wood substitutes, including their grain, porosity, luster, tendency to warp, reaction to polishing and finishing. Must know the strength and durability of wood and wood substitutes, including their hardness, elasticity, ability to support weight, and their resistence to weather, water, vapors, and chemicals. Must know, also, how strength is affected by machining, bonding, and joining techniques.

F. Must know the machining properties of woods and wood substitutes such as to their splitting, chipping, and splintering tendencies; the speed at which different materials can be machined and the smoothness that can be expected; based on knowledge of woodworking materials, must have the ability to select or recommend use of materials that will give the items to be made the required strength, durability, fit, match, and high-grade appearance.

G. Requires knowledge of and skill in using any of the accepted carpenter trade methods and techniques. Must know advanced shop mathematics; how to set up, adjust, and adapt hand and power tools.

H. Must possess a valid California drivers' license and be able to obtain a Federal Government drivers' license to operate vehicles up to and including two-ton capacity.

IV. RESPONSIBILITY

Receives assignments from the Woodcraftsman Leader through work orders, plans, specifications, sketches, and oral discussions. Lays out work by interpreting plans and specifications or sketches; devising any needed plans and patterns; selecting the right materials, machines, and techniques; and planning the complete sequence of work. When certain machines, materials, and equipment are not available or will not produce the desired results, determines which others to use. Consults with supervisor when proposing changes that will affect the item's strength, durability, appearance, and/or

cost. Performs his work with little guidance or review. Supervisor may occasionally observe work in progress to insure timely accomplishment and visually check completed work only for compliance with plans and specifications.

V. PHYSICAL EFFORT

Works in tiring positions for prolonged periods. His work requires frequent standing, bending, stooping, crouching, and arm movement. Occasionally works in cramped areas, on temporary platforms, and overhead. Often lifts and carries items weighing up to 75 pounds and occasionally lifts heavier items.

VI. WORKING CONDITIONS

Incumbent usually works in a woodworking shop or other enclosed areas which are sometimes unheated. He is frequently exposed to eye, skin, and lung irritations from glue, bonding chemicals, vapors, splinters, and sawdust. He is also exposed to the possibility of receiving cuts and serious injuries such as loss of fingers from accidents. Incumbent follows numerous safety practices and wears or uses various protective devices such as safety glasses, safety shoes, face masks, etc. Uses machine guards to protect against cuts, and may wear respirator to protect against sawdust and vapors.

Figure VII-2 (Page 4)

not be used. Abbreviations, form numbers and phrases which have no meaning outside the immediate office should not be used. Conclusions or opinions about the difficulty of the work should not be given. Descriptions prepared in accordance with this format will facilitate processing and classification.

(2) Primary standards to be included:

-Knowledge required for the position;

-Supervisory controls;

-Guidelines;

-Complexity;

-Scope and effect;

-Personal contacts;

-Purpose of contacts;

-Physical demands; and

-Work environment.

The primary standards noted above are referred to as the "Nine Factor Evaluation System" components. These items are described in detail in Civil Service Commission Publication TS27, May, 1977. Also, in this publication are descriptions of primary standards, a position evaluation statement, how to write position descriptions, as well as a host of data germane to position descriptions. This publication should be used in all cases where position descriptions are being written, rewritten or reviewed.

d. Review and Audit

When the position classifier receives a PD, the classifier reviews it to determine level of difficulty and

responsibilty. The classifier may have to make a work audit in order to amplify or clarify some aspects of the position. When this is done, the classifier prepares audit notes which are attached to and become part of the PD.

e. Who Writes the Position Description

(1) Management's Responsibility. Line management is fully and exclusively responsible for deciding what the duties and responsibility content of each position will be. Line management may add, remove, or change assignments at any time. Thus, line management is responsible for currency and adequacy of position descriptions. Assuming that a position description meets those objectives and serves the purposes mentioned above, it is of little consequence who prepares it. The development of factual information regarding the duties and responsibilities of civilian positions in the Navy is a primary responsibility of individual commands. Inherent in this responsibility is the right to determine who should prepare position descriptions.

(2) The Supervisor's Responsibility. The immediate supervisor is responsible for initiating classification action in most cases. In all cases, he/she is responsible for seeing that an accurate presentation of relevant facts is made. He/she should, therefore, direct the preparation of each needed description. In cases such as the following, the supervisor should ordinarily write the description:

-When the work of the position is not being regularly performed by one person, either because no employee has yet been assigned the duties of the position or because its incumbent is on extended absence;

-When the work of the position is being performed by a recently assigned employee who is not yet well acquainted with it and there is good reason for not delaying preparation of the description until he becomes well acquainted with the work; or

-When the work of the position is undergoing, or is about to undergo, material change and there is good reasons for not delaying preparation of the description until the incumbent becomes well acquainted with his assignments as changed.

(3) The Incumbent's Role. Regardless who prepares a position description, if the work of a position is being regularly performed by one person, that person is an important source of information about the position. It is, therefore, a widespread practice to have such persons either prepare the description or participate in its preparation. When an incumbent writes the description, the incumbent should be counseled by his/her supervisor through a discussion of the position and the approach to be taken in describing it, before he/she begins to write the description.

(4) Review by the Supervisor. Regardless who has written a position description, the supervisor should review it for adequacy of information, clarity, accuracy and over-emphasis or under-emphasis.

If an employee has any erroneous concepts of the scope of the work, the degree of responsibility, or the relation of his/her position to other positions, the supervisor should correct such misunderstandings at this time. Every attempt should be made to reach agreement between the employee and the supervisor as to how the position should be described. If agreement cannot be reached, either may qualify

his/her certification of the description on NAVSO 12510/7 by attaching supplementary comments thereto. Any conflict thus raised will be resolved by the proper management officials before the position description can be acted upon.

If an employee's description shows the duties that are being performed to differ from an approved and desired plan of organization, the supervisor should make an appropriate change in the assignment. Classification action should be taken on an up-to-date description of the position as changed.

(5) The Classifier's Role. The classifier is responsible for:

-Instructing employees and supervisors on how to write descriptions--either on an individual or group basis;

-reviewing descriptions for adequacy--either in rough draft or final form;

-writing descriptions when called upon to do so; and

-determining the advisory classification.

(6) The Position Versus the Employee. Position classification involves classifying positions and not employees. The classifier is not permitted to take into account any of the personal qualities of the incumbent, such as his/her efficiency, loyalty, length of service, sex, race, color, age, or creed.

There are situations, however, where an employee's individual traits or abilities may affect the nature of the work he/she performs, and thus have a legitimate effect on the classification of the position. A particularly capable

employee, for example, might be given duties and responsibilities beyond those originally prescribed for the position. Similarly, a highly qualified employee may change the method and levels of operation at which position requirements are carried out. This is especially true of professional specialists.

(7) The Position Versus the Position Description. A PD is an official written statement of the duties, responsibilities and organization relationships of a position. It does not prescribe the duties of the position--it merely reports them as they exist at any given time. It in no way interferes with any lawful authority an operating official may possess to detail an employee to different work on a temporary basis, or to change his/her work assignment on a continuing basis. In the latter case, the existing PD should be replaced by a new and current description.

(8) Position Description Versus Position Classification Standards. A PD is a description of an individual position, and should be written in specific language to portray that position. A classification standard is a description of the many positions comprising a class, and is necessarily more generalized in its approach. For this reason, classification standards make poor basis for preparing PDs and should not be used for this purpose.

(9) Classification Versus Pay. Failure to recognize the distinction between classification and pay often leads to agitation to classify positions improperly in attempts to solve pay problems. Basic principles of both classification

and pay demand that classification problems be solved within the framework of the classification plan and that pay problems be solved within the framework of the pay plan.

Classification should never be used as a tool for adjusting pay rates, for budget purposes, or to suit the present or future employee of the position. Position classifiers frequently encounter such situations, particularly with shortage category position where recruitment is difficult because private industry is paying higher salaries for equivalent skills and knowledge. Likewise, it is a common occurrence for an employee or supervisor to attempt to get a position classified to a higher grade to reward the employee for long service or high quality or quantity of work. Classification is not the solution. In some cases, increased inhiring rates within the grade may be recommended to the Office of Personnel Management, in other cases, superior accomplishment awards may be granted and in still other cases additional duties and responsibilities may be assigned to positions to warrant higher grades through reclassification.

5. Compensation

a. Pay Levels

The pay levels for graded positions only are fixed by the salary acts passed by the Congress. The objective of this legislation is to provide equal pay for equal work. Each of the 18 grades of the Classification Act has an established salary range, and the incumbent of a grade moves upward within the grade, in salary (step) increments. (See Figure VII-3)

PAY RATES OF THE GENERAL SCHEDULE

(as of October 1979)

STEP	1	2	3	4	5	6	7	8	9	10
GS-1	$ 7,210	$ 7,450	$ 7,690	$ 7,930	$ 8,170	$ 8,410	$ 8,650	$ 8,890	$ 8,902	$ 9,126
2	8,128	8,399	8,670	8,902	9,002	9,267	9,532	9,797	10,062	10,327
3	8,952	9,250	9,548	9,846	10,144	10,442	10,740	11,038	11,336	11,634
4	10,049	10,384	10,719	11,054	11,389	11,724	12,059	12,394	12,729	13,064
5	11,243	11,618	11,993	12,368	12,743	13,118	13,493	13,868	14,243	14,618
6	12,531	12,949	13,367	13,785	14,203	14,621	15,039	15,457	15,875	16,293
7	13,925	14,389	14,853	15,317	15,781	16,245	16,709	17,173	17,637	18,101
8	15,423	15,937	16,451	16,965	17,479	17,993	18,507	19,021	19,535	20,049
9	17,035	17,603	18,171	18,739	19,307	19,875	20,443	21,011	21,579	22,147
10	18,760	19,385	20,010	20,635	21,260	21,885	22,510	23,135	23,760	24,385
11	20,611	21,298	21,985	22,672	23,359	24,046	24,733	25,420	26,107	26,794
12	24,703	25,526	26,349	27,172	27,995	28,818	29,641	30,464	31,287	32,110
13	29,375	30,354	31,333	32,312	33,291	34,270	35,249	36,228	37,207	38,186
14	34,713	35,870	37,027	38,184	39,341	40,498	41,655	42,812	43,969	45,126
15	40,832	42.193	43,554	44,915	46,276	*47,637	*48,998	*50,359	*51,720	*53,081

*The asterisk shows grades and steps within grades that would not get any U.S. Civil Service Commission salary increase because Congress has frozen federal salaries at $47,500.

GENERAL SCHEDULE OF PAY FOR CLASSIFIED EMPLOYEES

Figure VII-3

In general, movement of an individual from one to the next higher of these increments depends upon the length of service at a grade step, and performance of the duties. Employees who perform at an acceptable level of competence, as certified by the supervisor, are advanced to the next higher pay step within the range for the grade after serving the required period of time.

b. The Federal Wage System (FWS)

FWS came into being in 1965 by a Presidential Order which directed the CSC to eliminate wage differences then existing between the same jobs in the same areas, as established by different agencies of the Federal government. Under a National Wage Policy Committee, FWS policies have been established. Each agency is responsible for fixing and administering rates of pay for wage board (ungraded, blue collar, trades and crafts) employees of the agency. DOD Directive 5120.30 of 5 June 1968 established the Department of Defense Wage Fixing Authority.

Salaries for blue collar or wage employees are set in accordance with the Federal Wage System (FWS). The FWS is based on the principle that pay will be fixed in accordance with prevailing rates in the geographical area in which the position operates. The prevailing rates are set as a result of statistically valid wage surveys, conducted by local area wage survey committees, of the level or rates paid by private employers in the same local wage area for similar kinds and levels of work performed in the Federal Service. Non-supervisory

wage positions and leaders are graded according to 15 levels. Based on the job description, each job is placed in the proper grade.

With satisfactory work performance, an employee advances automatically to the second rate after 26 weeks of creditable service, to the third rate after 78 weeks of creditable service at the second rate, to the fourth and fifth two years (104 weeks) of creditable service at the third/ fourth rate.

The outputs of the activities of Wage Survey Committees are wage schedules which differ by region, but which are compatible within regions. They reflect the wages paid by private employers within regions (and in some instances rates paid in specified industries outside the local wage area), and are periodically updated.

In addition to the 15 wage levels for non-supervisory employees and leaders, there are 19 supervisory wage levels, including (in descending order): Superintendent; General Foremen; or Foremen. Supervisory grade levels depend upon the range of responsibility, level of work supervised, and the complexity of work supervised.

Each established area wage schedule has five rates of pay (steps) with the first and third step 4% below and above the second step, respectively, and each of the fourth and fifth steps 4% above the previous step. A typical FWS wage rate schedule is show in Figure VII-4.

DEPARTMENT OF DEFENSE WAGE FIXING AUTHORITY

WASHINGTON, D.C. 20310

WG-RATES					WL-RATES					WS-WD-WN RATES					WD-WN PAY LEVEL
1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	
5.27	5.49	5.71	5.93	6.15	5.80	6.04	6.28	6.52	6.76	7.92	8.25	8.58	8.91	9.24	
5.67	5.91	6.15	6.38	6.62	6.24	6.50	6.76	7.02	7.28	8.32	8.67	9.02	9.36	9.71	
6.07	6.32	6.57	6.83	7.08	6.68	6.96	7.24	7.52	7.80	8.72	9.08	9.44	9.81	10.17	1
6.46	6.73	7.00	7.27	7.54	7.11	7.41	7.71	8.00	8.30	9.06	9.44	9.82	10.20	10.57	2
6.84	7.12	7.40	7.69	7.97	7.52	7.83	8.14	8.46	8.77	9.41	9.80	10.19	10.58	10.98	3
7.19	7.49	7.79	8.09	8.39	7.91	8.24	8.57	8.90	9.23	9.76	10.17	10.58	10.98	11.39	4
7.54	7.85	8.16	8.48	8.79	8.29	8.64	8.99	9.33	9.68	10.11	10.53	10.95	11.37	11.79	5 1
7.88	8.21	8.54	8.87	9.20	8.67	9.03	9.39	9.75	10.11	10.45	10.89	11.33	11.76	12.20	6 2
8.24	8.58	8.92	9.27	9.61	9.06	9.44	9.82	10.20	10.57	10.81	11.26	11.71	12.16	12.61	7 3
8.58	8.94	9.30	9.66	10.01	9.44	9.83	10.22	10.62	11.01	11.16	11.62	12.08	12.55	13.01	8 4
8.93	9.30	9.67	10.04	10.42	9.82	10.23	10.64	11.05	11.46	11.35	11.82	12.29	12.77	13.24	9 5
9.28	9.67	10.06	10.44	10.83	10.21	10.64	11.07	11.49	11.92	11.60	12.08	12.56	13.05	13.53	10 6
9.63	10.03	10.43	10.83	11.23	10.59	11.03	11.47	11.91	12.35	11.90	12.40	12.90	13.39	13.89	11 7
9.97	10.39	10.81	11.22	11.64	10.97	11.43	11.89	12.34	12.80	12.27	12.78	13.29	13.80	14.31	8
10.32	10.75	11.18	11.61	12.04	11.36	11.83	12.30	12.78	13.25	12.69	13.22	13.75	14.28	14.81	9

EFFECTIVE DATE: 1 OCTOBER 1979

COORDINATED FEDERAL WAGE SYSTEM REGULAR WAGE RATE SCHEDULE

Figure VII-4

c. Selection for and Appointment to Positions and Jobs

Selection for employment is one of the most important decisions a line manager makes. This decision is not made by the Civilian Personnel Office (CPO) which normally recruits candidates for employment, receives application, prepares lists of eligibles for position/job openings; selection of employees from a list of eligible candidates is the responsibility of line officials.

In most cases, highly qualified candidates should be interviewed by the PWO or his designate(s). Employment interviewing is often done very poorly, therefore a few words on this may be in order. Remember, the purpose of the interview is to gain sufficient position/job relevant information to enable the interviewer to choose the candidate with the greatest prospect of fulfilling management's expectations. The following is excerpted from Employment Interviewing. Personnel Methods Series, 40.5 CSC:

> "What are the major methods that an interviewer uses to get an applicant to talk and yet get the information the interviewer wants? The major methods are:
>
> 1. Asking questions which can't be answered "yes" or "no". Most of the questions are worded so that the candidate has to talk. He or she also repeatedly asks questions such as "How did you get interested in that?" and "How did you feel about that?"
>
> 2. Pausing for at least a few seconds after the applicant has seemingly finished before asking any more questions in order to give the applicant a chance to talk further. On this point, it has been suggested that "knowing when not to inject oneself into the interview is often as important as asking questions deftly. The interviewer who feels compelled to fill every void of silence should know that his or her eagerness to talk is usually caused by concern about the interviewer's own comfort rather than concern for the applicant.

3. Trying several different subjects at the beginning to determine which subject is most provocative in getting the applicant to talk, although later returning to those topics on which the candidate froze in order to determine if the lack of response is significant.

4. Repeating parts of the key sentences of the applicant in a questioning tone to indicate further elaboration.

5. Asking one question at a time.

6. Making questions clear, but without indicating what the expected correct answer is.

7. Having an interested manner, uninterrupted attention, and neither by manner nor words implying criticism or impatience, or a critical attitude toward what is being said.

8. Not asking highly personal questions until rapport has been established.

9. Not bringing the applicant abruptly back to the point when the applicant digresses.

10. Using language which is appropriate for the applicant."

Today the norms for male supervisors interviewing women as candidates for positions are changing. The male interviewer should contact his EEO and CPO to determine what are the Federal regulations concerning this situation.

Here are some rules to go by. They are not intended to establish that any specific behavior is legal or illegal, contrary to Federal regulation or not. The perspective is one of common sense, common courtesy and a professional approach.

-Use the right words. Try to remember the women in your office are not "girls" or "gals". And the woman you are interviewing is not a "sweetie" or "honey" or "dear", even if you are a good ol' boy;

-Do not inquire into areas that are none of your business. For instance:
Her marital status or nonmarital arrangements or plans.
What her husband does, how much he makes, whether he is subject to transfer, how he feels about her working, traveling, or anything else.

Whether she has any children or plans to have and how many.
Arrangements for the care of her children.
Her views on birth control, abortion or women's lib.

-Do not bring up your prejudices. You are entitled to them, but you are not entitled to do anything about them on official time. Avoid generalizing that women:
Should not travel alone, or travel with men, or stay overnight in another city;
Are not aggressive enough;
Are too emotional;
Never stick with a job;
Will not accept travel assignments;
Want to work until marriage, or that they want to marry;
Are absent from work more than men;
Do not want responsiblity;
Cannot supervise men;
Are not mobile.

-Do not joke. Some men find it embarrassing to behave toward women in a completely businesslike way. The fact is that when women are treated as adults, they do not notice anything strange about it or you.

In making a selection or recommendation, it is improper to give consideration to such factors as the following:

-That supervisors or managers might prefer men;

-Co-workers might object;

-Women's work lacks creditability; or

-It involves unusual working conditions.

It is improper to place undue emphasis on conditions of employment in hopes of discouraging the candidate. In other words, do not solicit a declination. It is for the applicant, not the employer, to decide whether or not he or she should accept the job.

Finally, do not indicate your interest in a woman candidate as one whose selection would help improve your EEO picture.

The general rule is that one should treat women applicants and men applicants in the same way.

Interviewers frequently fall into the trap of trying to counsel applicants whom they have to reject for employment, perhaps in compensation for this rejection. This counseling is unwise for a number of reasons of which three may be emphasized. In the first place, most interviewers, no matter how skilled, do not have the additional training needed for vocational and personal guidance. Also, this guidance may be on matters on which the applicant needs much more help than the interviewer can provide in a few minutes. Finally, the interviewer may be wrong in his conclusions. Guidance on matters beyond his competence might not always be dangerous, but could certainly be laughable. For those and other reasons, vocational and personal guidance should be left to those with special training rather than being assumed gratuitously by employment interviewers.

The following is a checklist on the conduct of the interviewer:

-Do I know in detail the characteristics of persons who will probably do best on the job to be filled?

-Have I studied thoroughly the results of the other selection methods, including the application blank?

-Do I have a complete list of questions for all applicants, based on an analysis of the information available about them?

-Have I determined the topic or topics I am going to use and have I a complete list of subjects for discussion?

-Did I get each applicant to speak freely and yet to the point? Did I listen carefully to what was said and observe behavior at the same time?

-Did I follow leads or did I stick to one pattern for all applicants?

-Did I speak less than 35% of the time? Did I act in such a manner that it gave the applicant a chance to show his natural behavior?

-Did I get reliable information on all factors included on the rating form? Did I cover all the items marked in the list of proposed topics adequately? Did I ask expanding questions to be sure that I understood what was said?

-Did the applicant leave with a favorable opinion of my organization?

If the answer to these questions is "yes", then the interview was conducted well.

When a candidate is selected by the responsible line official, and CPO is notified by the line official of the successful candidate, the CPO will proceed to effect the employment of the individual.

d. Career-Conditional Appointments

These appointments are the usual type of appointment given to eligibles selected from a Civil Service register to fill a position which will continue for more than one year. Such an appointee must serve a total of three years before he becomes a career employee.

The three year tenure is a requisite for career status in the Federal service, but the first year is a probationary period intended to test the employee's fitness and general desirability.

e. Probationary Period

The probationary period is the time period of one year in which the employee's performance is tested while

actually on the job. The employee's conduct and performance are observed to determine if the employee is fit for permanent service.

The supervisor should take the following action during the probationary period:

(1) Observe the employee's conduct, general character traits and performance closely.

(2) Attempt to understand the employee's problems and give proper guidance.

(3) Study the employee's potentialities closely and attempt to determine whether the employee is suited for successful Government work.

(4) If after a fair and full trial, the employee's conduct and performance are determined not to be satisfactory for service, the supervisor should immediately initiate action to separate the employee. Sufficient time should be allowed for the employee to be notified, prior to the expiration of the probationary period, so that the employee will not be retained.

(5) The supervisor must submit a signed statement, no sooner than the beginning of the ninth month nor later than the end of the tenth month of the period, certifying either that the employee's performance, conduct and character have been found satisfactory or unsatisfactory. Each statement must contain a recommendation stating whether the employee should be retained beyond the probationary period or not.

If an employee is to be separated, the probationer must be notified in writing the reasons for separation and the

effective date of the action. The reasons for separation must, at a minimum, explain the activity's conclusions on the inadequacies of the employee's performance or conduct. The employee is not given the right of reply.

The employee may appeal if the employee feels the termination was based on discrimination because of race, color, religion, sex, national origin or age, provided that at the time of the action the employee was at least 40 years of age but less than 70 years of age. Other reasons include political reasons, marital status or physical handicap. The appeal may be filed with the appropriate Federal agency at any time after the receipt of the notice, but no later than 15 calendar days after the termination has been effected.

The employee does not have to serve a new probationary period after a position change or transfer. Prior service in another billet is credited towards the completion of the probationary period. For further information refer to Chapter 315 of the Federal Personnel Manual.

f. Temporary and "TAPER" Appointments

Temporary appointments may be made to noncontinuing positions. Such appointments are not to exceed one year. Extensions require approval by the Office of Personnel Management. A continuing position in an activity may be filled by a person given a temporary appointment only under certain conditions:

(1) When no register has been established for the position, or

(2) When existing registers are inadequate to satisfy the employment requirements.

An incumbent of a temporary appointment continues to serve only until a register is established (temporary appointment pending establishment of a register--"TAPER"), and the OPM may direct displacement. Such an incumbent, of course, may take the appropriate examination and compete for a career/career-conditional aqpointment.

The appointment of any person aged 70 years or over is always a temporary appointment, and may not exceed one year (although these appointments are renewable for one year periods).

No temporary appointment carries any probationary requirement since the incumbent cannot acquire competitive status, these incumbents may not be transferred, or promoted noncompetitively to career or career/conditonal appointments.

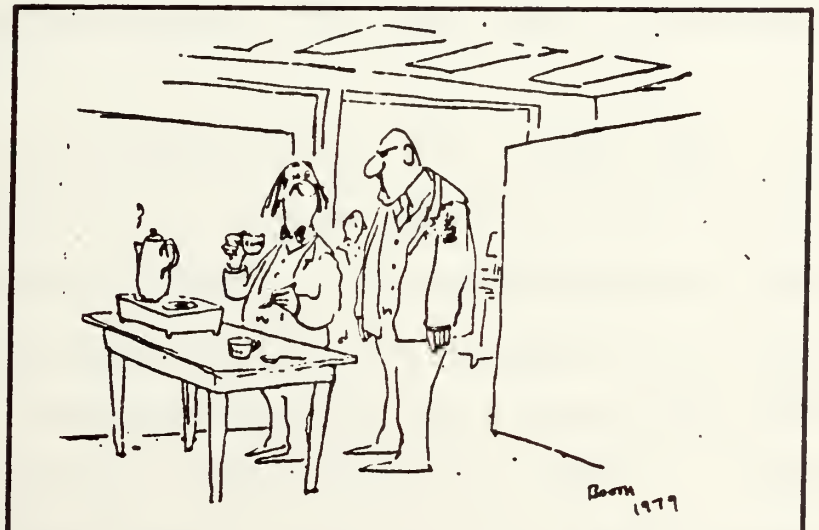
g. Hours of Work

For graded and ungraded positions, the basic workweek is fixed by law at 40 hours. These working hours should be scheduled on five days, Monday through Friday; when this is not possible, the two days outside of the basic workweek should be scheduled well in advance.

Caution should be used if an employee should request to work less than a 40 hour week. Allowing an employee to work less than a 40 hour week may lead to many problems within that work space; for example, other employees, not knowing the particular situation, may feel that the employee

is getting special treatment and develop resentment toward that individual and towards you, the PWO. If the occasion should arise, the request should be disapproved and the employee required to work a 40 hour week. If the employee is unable to fulfill this requirement, the employee should be terminated.

Overtime for graded and ungraded employees is defined as any period of time worked over and beyond the basic eight hour work period in any day or in excess of 40 hours in an administrative workweek. To be eligible for overtime pay, overtime work must be ordered and approved by proper authority. The use of overtime should be restricted to cases of real necessity. If a supervisor "suffers or permits" an employee to work overtime (noon hour, after or before hours, etc.), the employee is entitled to compensation--Fair Labor Standards Act of 1974.



"Since the new flexible working hours began, Seymour, we haven't been able to locate yours."

On legal holidays designated as nonwork days, employees are excused from work, but receive their regular pay. Except for New Year's Day (1 January), Independence Day (4 July), Thanksgiving Day (last Thursday in November) and Christmas Day (25 December), all legal holidays are observed on designated Mondays or Fridays. Graded and ungraded employees are given holiday premium pay for eight hours or less of work performed on a holiday that is observed during the 40 hour basic workweek.

The Commanding Officer of an activity is authorized to schedule hours of work so that they will best meet operating needs, but his authority must itself be exercised in the best interest of employees as well as of management.

h. Compensatory Time Off

An employee whose rate of basic pay is equal to or less than the maximum rate for grade GS-10 may request compensatory time off in lieu of overtime pay. The amount of time off must be equal to the time spent in irregualr or overtime work.

An employee whose rate of basic pay is in excess of the maximum rate for grade GS-10 may, at the discretion of the supervisor, be required to take compensatory time off in lieu of being paid overtime for irregular or overtime work.

The supervisor may fix a time within with compensatory time off is to be requested or taken. If not taken within that time limit, the employee loses the right to compensatory time off or to overtime pay unless the failure is

due to an exigency of the service beyond the employee's control.

6. Administration

a. Maintenance of Personnel Records

The PWO should not detail any of his staff to the task of keeping any personnel records that are available from either the Personnel Department of the activity, or the CPO.

Within the Public Works Department, the Personnel Branch of the Administration Division is responsible for all matters pertaining to time keeping and personnel records, and for maintaining necessary liaison with the CPO of the activity. As a result, one or two clerks are normally all that will be required for performing the work connected with the records required by the PWO. The latter should not step into the functions of the Personnel Department, and the Head of the Personnel Branch should not duplicate any services which the CPO stands ready to provide.

b. Leave Administration

The provision of leave for civilian employees is similar to that for Naval personnel except that for civilian employees, annual leave and sick leave are measured in working days versus calendar days. However, the several different types of leave available for civilian personnel make the regulations somewhat complicated. A variety of situations may arise in connection with charging leave, and with maintaining leave records. The following discussion gives the general picture. When specific problems arise, the activity

Civilian Personnel Department or FPM 630 will provide the correct answers.

(1) Annual Leave. The use of annual leave should be approved beforehand, except in cases of emergency. Ultimate decision for approval rests with the supervisor, but employees should be encouraged to use their annual leave insofar as its use does not interfere seriously with work schedules. As long as the accrual and charging of leave are related to the standard workweek, computation of leave is based on the pay period of 80 hours. Public Law 93-181, December, 1973, brought about major changes in the administration of annual leave for Federal employees. One significant change now permits the crediting of annual leave not used because of "exigencies of the public business" or sickness. The law states that an employee who forfeits annual leave because (1) operational demands did not permit its usage, or (2) because of personal illness, may have the leave credited to a "special" leave account, upon submission of sufficient documentation, providing that the leave was scheduled in advance.

Newly hired employees, who previously could not use annual leave until their fourth month of work, may now use any leave earned during their first 90 days of employment.

The previous limit on the number of days of annual leave for which an employee may receive cash payment when leaving the Government has been removed. Employees may be paid for all annual leave to their credit at the time of separation.

(2) Sick Leave. All civilian employees, regardless of length of service, accrue sick leave at the rate of four hours for every bi-weekly period; that is, a total of 13 days per year. No limit is placed upon the amount of sick leave that may be accumulated.

Problems may arise because there is no limit upon the amount of sick leave that may be accumulated by an employee, in that, when an employee retires that position cannot be filled, if all of the command's ceiling points are utilized until all of that employee's sick leave has been utilized. This can be a very devastating problem for a small command if it cannot fill a critical position in its organization. The PWO should be aware of this regulation and prepare accordingly to lessen the impact of an employee retiring from the organization.

(3) Military Leave. Military leave constitutes an approved absence, with pay and without charge to annual leave, granted to employees who are members of Reserve components of the Armed Forces and who are called to duty in that capacity. No employee whose appointment is temporary (unless temporary pending establishment of a register), part-time or intermittent is eligible for military leave. All military leave is measured in terms of calendar days versus working days.

(4) Leave Without Pay. Leave without pay is approved in a nonpay status. It should not be confused with unauthorized absence, which is called absence without leave, and which is a basis for disciplinary action.

The ordinary use of leave without pay is to cover an absence for which an employee does not have enough

annual or sick leave. In unusual circumstances, such as (1) to avoid a break in continuity of service for employed dependents of transferring service (military) personnel or (2) for educational purposes (similar to faculty sabbaticals) when the completion of the course will contribute to the agency's best interest, leave without pay (normally not to exceed one year) is granted upon request to an employee who may have annual leave to his credit.

c. Employee Training

To meet the needs for systematic training and development of its civilian employees, the Navy has formulated an employee development program that extends to virtually every level of responsibility and authority.

The specific aim of this program is to maintain a well-trained and capable force of employees, equipped to perform an effective job for the Department of the Navy. The establishment of this program is based on the premise that it is a management responsibility to raise operating efficiency through adequate development of all employees.

Compliance with statute(s) and/or SECNAV/OPM instructions may require employee attendance/participation in some training program vis: apprentice, orientation, security, safety and health, etc. The training division of the activity CPO will provide current information pertaining to the scheduling of such instruction.

Training is a function in which both line and staff must participate. All Officers who are charged with

supervisory or management duties should be aware of the need for indoctrination training, on-the-job training, supervisory and management training at all levels and training to meet the demands of new processes or equipment. The training resources of the Naval activity were created to serve the operating requirements of the Command. Line officials, including the PWO, will determine the need for and the content of training; the CPO will develop, for approval, courses of instruction to serve operating needs; and assist in providing competent instructors (including, where necessary, line supervisors/management personnel); evaluate and record results.

d. Performance Evaulation

Performance evaluation is very closely related in its purposes to the Navy's training and development program. Both the employee training program and the performance appraisal help to develop the employee so that the employee will perform his/her duties more effectively. The appraisals also have an important role in determining the training needs in a given activity or unit.

The supervisor who conscientiously discharges his/her duties with respect to making periodic appraisals of subordinates' work will find it a simple matter to prepare the annual performance rating which is given in the case of all Civil Service employees. This rating is normally due for each employee on a stated date each year; in the case of employees who have not been in the supervisor's unit for a complete year, the former supervisor should be considered for information for the relevant period of time.

The form used for the rating is optional with the activity, but whether the standard rating form is or is not used, all activity employees must be notified of their ratings, either by written notices or orally.

There are three factors upon which each employee is rated:

-Quality of work relates to accuracy, neatness, and adaptability of work results; degree of conformance to prescribed standards; skill and ability demonstrated in accomplishing the work; soundness of judgment and decisions; and, in general, the effectiveness of effort in a qualitative sense.

-Quantity of work relates to the amount of acceptable work produced; application to duty; meeting of deadlines; and, in general, the effectiveness of effort in a quantitative sense, and within whatever time limits are involved.

-Adaptability relates to the many elements of an employee's contribution to the organization, as indicated by his cooperation with supervisors and fellow workers; his willingness to learn new procedures, and to try new assignments; and his adjustment to conditions of work. Offenses resulting in the taking of disciplinary action (for example, warnings or suspension) should be considered in the rating if it is clear that these attitudes affected the characteristics of performance.

(1) Use of Performance Ratings. The performance rating, itself, is the supervisor's periodic, official summary of his evaluation of an employee's performance. But performance evaluation is not a periodic process; it is the supervisor's continuing, day-to-day responsibility. Proper use of employee performance evaluation, including performance ratings, help improve employee performance by:

-Strengthening supervisor-employee relations;

-Identifying work standards and requirements;

-Informing employees of work standards and requirements;

-Recognizing commendatory and outstanding work performance;

-Recognizing and correcting work deficiencies; and

-Providing a guide to personnel actions.

(2) Rating Levels. With the passage of the Civil Service Reform Act of 1978, each Federal agency must develop and phase in its own appraisal system(s). The new systems are to be fully effective by 1981.

Until the new systems are implemented, performance ratings may be expressed as one of the three adjective rating levels, namely: Outstanding, Satisfactory, or Unsatisfactory. The three adjective rating levels are defined as:

(a) Outstanding. An Outstanding rating may be awarded only when all aspects of the performance exceed normal requirements and also are outstanding and deserve special commendation. An Outstanding rating must be supported by a detailed, written statement of the performance requirements and the reasons for considering each aspect of the performance worthy of special commendation.

An item for the PWO to remember is the effect of an outstanding rating upon an individual's relative standing on the retention register. This rating adds four years to the individual's service time, which means that during a Reduction-in-Force (if it should occur in the succeeding year) the individual's chance of surviving a reduction is greatly improved, and that one or more others with entrance date(s) predating his/hers could be separated before him/her.

(b) Unsatisfactory. A Navy employee who is to be given a rating of Unsatisfactory must be given a written warning, and this warning must be specific and in detail. The warning must be given at least 90 days before the close of the period, the rating period must be extended accordingly.

The 90-day period gives the employee a reasonable opportunity to benefit by the warning, and improve his/her performance. The warning may be cancelled at any time if the performance reaches a satisfactory level.

The warnings should be in writing and should state:

-What job requirements the employee is failing to meet satisfactorily;

-What the employee must do to bring his/her performance to a satisfactory level in the 90-day period; and

-What efforts will be made to help the employee improve.

(c) Satisfactory. This broad level includes performance ranging from excellent to just above unsatisfactory. It is the level of which most employees perform. Adjective ratings of Satisfactory are not required to be supported in writing, although they may be so supported. Such supporting information will often serve to give deserved recognition of the employee's accomplishments, or may be used to advise the employee that he/she is considered to be only marginally satisfactory.

(3) Preparation and Review. An official performance rating is normally prepared by the employee's immediate supervisor. It is then reviewed by the higher supervisor who

also has a personal knowledge of the employee's performance. Reviewing the rating is intended to improve the accuracy and fairness of the rating, evaluation on specific tasks, supporting statements, and the summary adjective rating. Whenever the reviewer does not entirely agree with the rater's evaluations, the reviewer should consult with the rater so each will have the full benefit of the thinking of the other. Any subsequent changes made by the reviewer should be noted by him/her as a part of the rating without effacing the rater's evaluation. Each rating, with changes made by the reviewer and those cases where questions remain unsettled between the rater and the reviewer, will be referred to higher line authority. Ratings not settled to the mutual satisfaction of the rater and reviewer by such higher authority will be referred to the appropriate performance rating board for review and action.

(4) Discussing the Rating. It is a requirement that rating officials show each employee his/her own performance rating and discuss it with him/her. The discussion should be carried out in a positive and contructive manner that contributes insofar as possible to good supervisor-employee relationships and helps motivate the employee to sustain or improve performance.

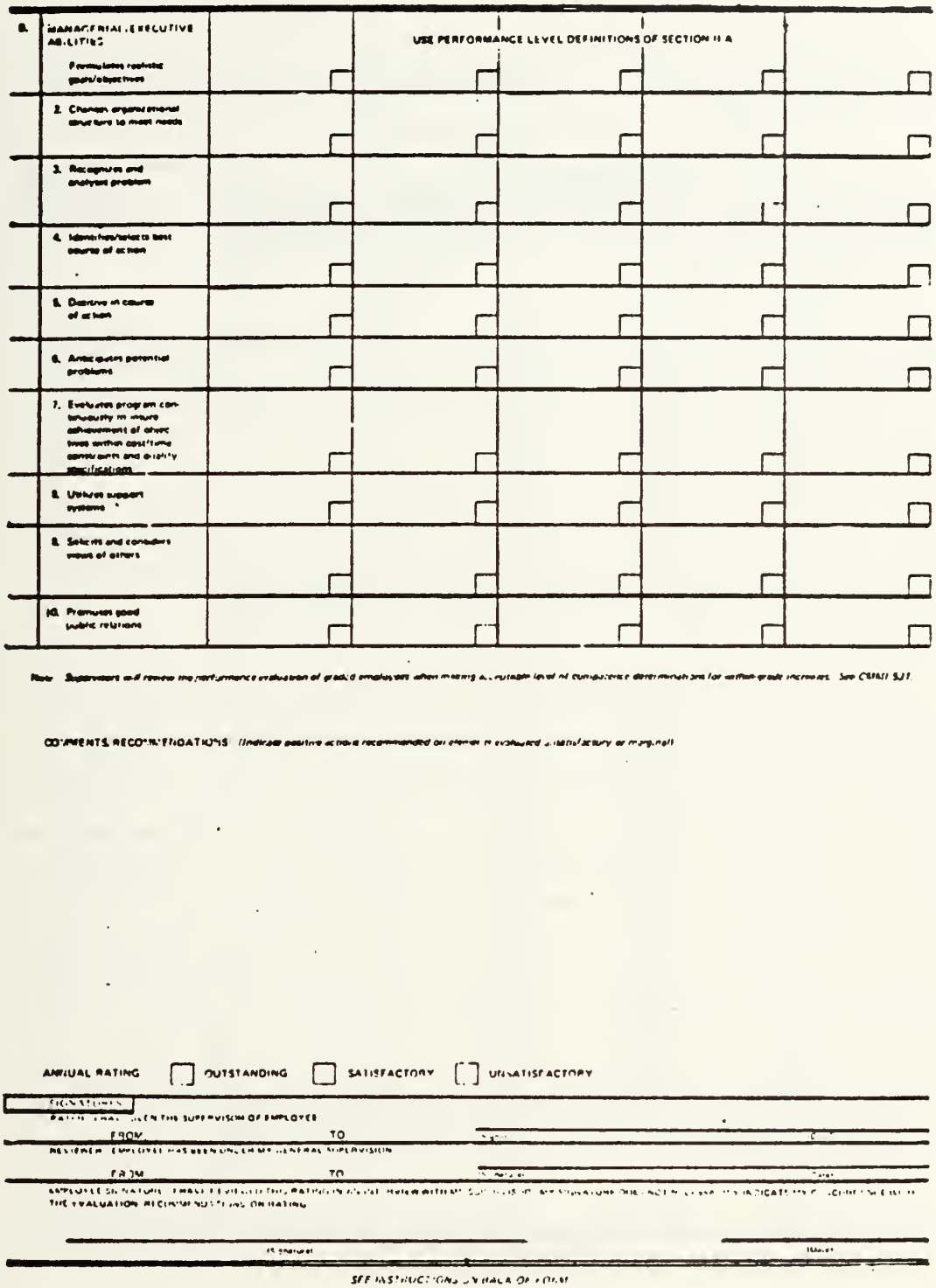
When a rating is discussed with the employee, the employee should acknowledge the discussion by initialing the rating form or signing the "Employee's Annual Review" form if applicable. Signing of the form does not necessarily constitute agreement with the rating and an employee may note

his/her specific disagreement with it. The employee has the right to appeal the rating if he/she is not satisfied. If an employee desires to appeal, direct him/her to consult with the Civilian Personnel Office regarding local appeal policy.

(5) Rating Employees at the GS-12 Grade Level and Above. A special performance rating form is utilized for evaluating the performance of civilian personnel at the GS-12 grade level or above. Figure VII-5 represents the special rating form that will be completed for every General Schedule employee at GS-12 and above and employees under different salary systems who are considered to be equivalent in grade (e.g., wage grade supervisors, WS-15 and above).

(6) Other Employees. All other employees will be rated annually as of the individual employee's "anniversay date". A Satisfactory rating may be assigned by merely completing the form called the "Employee's Annual Review". If a rating other than Satisfactory is being recommended, the rater should obtain the appropriate guidelines and performance rating forms from Civilian Personnel Office. The applicable forms are NAVSO 12431/1(Performance Rating), and on an optional basis, NAVSO 12431/2 (Performance Rating Report) and NAVSO 12431/3 (Performance Rating Report) for supervisory employees. These latter forms may be used as additional justification in conjunction with the Performance Rating Form. Figures VII-6, VII-7 and VII-8 are examples of the forms.

(7) Equal Employment Opportunity. Regulations require that, if an employee is a supervisor, the performance



PERFORMANCE EVALUATION AND RATING

NAVSO 12430/6

Figure VII-5

PERFORMANCE EVALUATION AND RATING
NAVSO 12430/6 (8-78)

NAME OF EMPLOYEE	POSITION TITLE/SERIES/GRADE	PERIOD COVERED FROM TO
NAME OF SUPERVISOR	ORGANIZATIONAL LOCATION	ACTIVITY

SECTION I

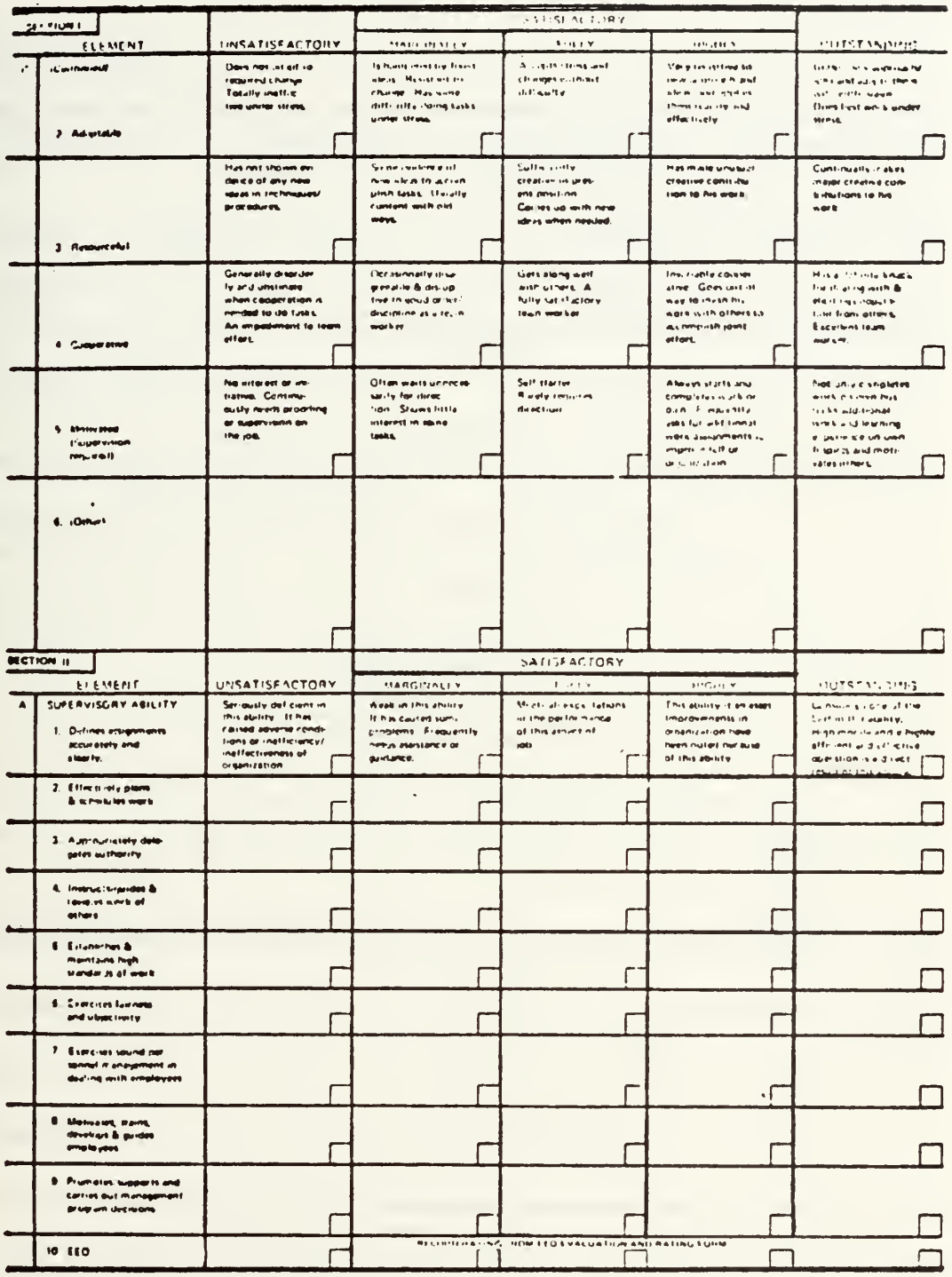
✓	ELEMENT	UNSATISFACTORY	SATISFACTORY MARGINALLY	SATISFACTORY FULLY	SATISFACTORY HIGHLY	OUTSTANDING
A.	KNOWLEDGE OF	Seriously deficient in work knowledge; understanding of information essential to duties of job	Satisfactory knowledge of routine phases of work. Some lack of knowledge in difficult tasks.	Has adequate knowledge of all aspects of job to perform in a satisfactory manner	Understands thoroughly all regular aspects of job. Has more job related information than most.	Well versed on all unusual & regular complex aspects of job. Frequently consulted by others.
	1. Field/Profession					
	2. Procedures					
	3. Regulations					
	4. Specifications					
	5. (Other)					
	6.					
	7.					
B	ABILITY TO	Seriously deficient in this ability. Questionable if additional training/experience should improve performance	Meets minimum, but not consistent, performance to meet expectations	Demonstrates adequate ability required for satisfactory duties	Frequently exceeds most of the requirements. Performance is above what is normally expected	Outstanding in this area. Is frequently consulted or recognized for competence/expertise. Has developed or created a new ability
	1. Write					
	2. Communicate					
	3. Research					
	4. Analyze					
	5. Coordinate					
	6. Negotiate					
	7. Compute					
	8. (Other)					
	9.					
	10.					
	11.					
	12.					
C.	PERSONAL ATTRIBUTES	Usually does not meet deadlines. Needs a lot of supervision. Work is not up to standard. Lacks knowledge and requirements	Meets deadlines or duties. Difficult tasks may be completed, if supervised closely. Does not meet all established requirements	All duties are met with satisfactory quality. Meets required workload	Usually meets deadlines with other work better than average quality. Usually does more than what is expected	Always meets deadlines with work of exceptional quality. Always assists others when they request it
	1. Responsible					

SEE INSTRUCTIVE ON BACK OF FORM

PERFORMANCE EVALUATION AND RATING

NAVSO 12430/6

Figure VII-5 - Page 2



ELEMENT	UNSATISFACTORY	SATISFACTORY			OUTSTANDING
1. (Continued) 2. Adaptable	Does not adapt to required change. Totally inflexible. Has poor stress.	Is hesitant in dealing with change. Has some difficulty doing tasks under stress.	Adapts to new and changed circumstances with ease.	Very responsive to new situations and shifts and works effectively	Copes with unusual situations and shifts and adapts to them with ease. Does best work under stress.
3. Resourceful	Has not shown an ability of any new ideas in techniques/ procedures.	Some ambition to put new ideas in action. Usually follows with old ways.	Suggests creative ideas and solutions. Carries up with new ideas when needed.	Has made unusual creative contribution to the work.	Continually makes creative contributions to the work.
4. Cooperative	Generally disorderly and uncertain when cooperation is needed to do tasks. An impediment to team effort.	Occasionally irritates people & disrupts the group or individuals in the work.	Gets along well with others. A fully satisfactory team worker.	Has made concerted effort to cooperate with others to accomplish joint efforts.	Has made extra efforts in dealing with & helping others. Elicits help from others. Excellent team worker.
5. Motivated (Supervision required)	No interest or initiative. Continuously needs prodding or supervision on the job.	Often waits unnecessarily for direction. Shows little interest in some tasks.	Self starter. Needs minimum direction.	Always starts and completes work on time. Frequently asks for additional work assignments.	Has made extra efforts and completed work on time. Has additional work and learning. Inspires co-workers to work & motivates others.
6. (Other)					

SECTION II					
ELEMENT	UNSATISFACTORY	MARGINALLY	SATISFACTORY	HIGHLY	OUTSTANDING
A SUPERVISORY ABILITY					
1. Defines assignments accurately and clearly.	Seriously deficient in this ability. It has caused adverse conditions or inefficiency/ ineffectiveness of organization.	Weak in this ability. It has caused some problems. Frequently needs assistance or guidance.	Meets all requirements of the performance of this element of job.	This ability has caused improvements in organization have been noted because of this ability.	Has made a study of the best ways to do work, organizes and applies efficient and effective operations to direct
2. Effectively plans & schedules work.					
3. Appropriately delegates authority.					
4. Instructs, guides & develops work of others.					
5. Establishes & maintains high standards of work.					
6. Exercises fairness and objectivity.					
7. Exercises sound and tactful management in dealing with employees.					
8. Motivates, trains, develops & guides employees.					
9. Promotes, supports and carries out management policy on decisions.					
10. EEO					

PERFORMANCE EVALUATION AND RATING

NAVSO 12430/6

Figure VII-5 - Page 3

PERFORMANCE RATING
NAVSO 12431/1 (REV. 11-70)
S/N 0104-LP-042-3400

TYPE OF POSITION

☐ GRADED SUPERVISORY ☐ GRADED NONSUPERVISORY ☐ UNGRADED SUPERVISORY ☐ UNGRADED NONSUPERVISORY

NAME		RATING PERIOD FROM _____ TO _____
CHECK NUMBER	PAYROLL TITLE	UNIT, SECTION OR SHOP
NAME OF ACTIVITY		LOCATION OF ACTIVITY

EXPLANATION

Mark characteristic work performance in each factor. In marking supervisors, also consider effectiveness as a supervisor in getting work done.

DEFINITIONS

OUTSTANDING – All aspects of performance not only exceeded normal requirements but were outstanding and, in addition, deserved special commendation.

SATISFACTORY – Acceptable performance that met or exceeded minimum requirements.

UNSATISFACTORY – Performance that clearly failed to meet minimum requirements.

FACTORS

Use O, S, and U to denote Outstanding, Satisfactory and Unsatisfactory

QUALITY OF WORK.....( )
QUANTITY OF WORK.....( )
ADAPTABILITY.....( )

ADJECTIVE PERFORMANCE RATING

Each "O" or "U" rating must be supported by supervisor's signed statement attached hereto showing specifically and in detail wherein employee's performance was outstanding or unsatisfactory

Three "O" ratings, fully supported in writing _____ OUTSTANDING...( )

"S", or combination of "S" and "O" ratings _____ SATISFACTORY...( )

One or more "U" ratings, fully supported in writing _____ UNSATISFACTORY...( )

RATED BY (Name)	TITLE	DATE
DISCUSSED WITH EMPLOYEE BY (Name)	DATE	DISCUSSION ACKNOWLEDGED (Employee's Initials)
REVIEWED BY (Name)	TITLE	DATE
DATE APPROVED BY BOARD	DATE COPY FURNISHED EMPLOYEE	

NOTICE TO EMPLOYEE

By this copy of your performance rating for the period indicated you are notified what your adjective rating is and how it is defined. You have a right to appeal this rating within 30 days after receipt of this notice consult your supervisor or your personnel officer as to your appeal rights.

PERFORMANCE RATING

NAVSO 12431/1

Figure VII-6

PERFORMANCE RATING REPORT
NAVSO 12431/2 (REV. 11-70)

S/N-0104-842-3410

RATING PERIOD	
FROM:	TO:

EMPLOYEE NO.	EMPLOYEE NAME	JOB TITLE AND CLASSIFICATION

NAME AND LOCATION OF ACTIVITY	ORGANIZATIONAL LOCATION OF JOB

FOR WHAT PART OF THE RATING PERIOD HAVE YOU SUPERVISED THIS EMPLOYEE? FROM: TO:

✓	RATING FACTORS AND SUBFACTORS *Rate only pertinent subfactors under each factor.* *On left margin, check the subfactors that are the most important.* *Mark summary evaluation on factors I, II, and III for all jobs.* *Mark Factor IV only when applicable.*	NA - NOT APPLICABLE OR NO - NOT OBSERVED	*EVALUATIONS OF PERFORMANCE (Check)				
			UNSATISFACTORY	SATISFACTORY			OUTSTANDING
				LOW SATISFACTORY	MEETS NORMAL DEMAND	HIGHLY SATISFACTORY	
	FACTOR I. ADAPTABILITY ON THE JOB AS A WHOLE						
	1. APPLICATION TO DUTY (CONSERVATION OF TIME)						
	2. OBSERVATION OF RULES (CONDUCT, SAFETY, ETC.)						
	3. COOPERATION WITH SUPERVISORS						
	4. RELATIONS WITH FELLOW WORKERS						
	5. ATTITUDES: WILLINGNESS TO LEARN						
	6. MAINTENANCE AND USE OF KNOWLEDGES AND SKILLS						
	7. DEPENDABILITY						
	8. INITIATIVE AND RESOURCEFULNESS						
	9. CONSERVATION OF MATERIALS						
	10. VERSATILITY						
	11. EFFECTIVENESS IN ORGANIZING						
	12. DECISIVENESS						
	13. LEADERSHIP						
	14. GENERAL ADJUSTMENT TO CONDITIONS OF WORK						
	15. OTHER:	XXX					
	FACTOR II. QUALITY OF WORK						
	16. ACCURACY AND THOROUGHNESS OF WORK						
	17. NEATNESS, PRESENTABILITY, AND ACCEPTABILITY OF WORK						
	18. SOUNDNESS OF JUDGMENTS AND DECISIONS						
	19. EFFECTIVENESS IN PRESENTING IDEAS OR FACTS						
	20. EFFECTIVENESS IN MEETING AND DEALING WITH PEOPLE						
	21. OTHER:	XXX					
	FACTOR III. PRODUCTIVENESS						
	22. AMOUNT OF ACCEPTABLE WORK PRODUCED						
	23. MEETING REALISTIC DEADLINES						
	24. SPEED OF WORK						
	25. PROMPTNESS OR ACTION						
	26. PROGRESS TOWARD MEETING OBJECTIVES OR SATISFYING DEMANDS FOR ACTION						
	27. OTHER:	XXX					
	IV. EFFECTIVENESS IN SUPERVISING, PLANNING AND ADMINISTERING *(Attach form NAVSO 12431/3 for subfactors under this factor.)*						

ADJECTIVE RATING: *(For Outstanding or Unsatisfactory rating, justification and performance standards must be attached.)* ☐ OUTSTANDING ☐ SATISFACTORY ☐ UNSATISFACTORY

RATER'S SIGNATURE	DATE	RATING DISCLOSED WITH EMPLOYEE (Signature)	DATE DISCLOSED
REVIEWER'S SIGNATURE	DATE	DISCLOSURE ACKNOWLEDGED BY EMPLOYEE (Signature)	
RATING APPROVED (Enter adjective if changed)	DATE	COPY OF RATING FURNISHED EMPLOYEE BY (Signature)	DATE

NOTICE TO EMPLOYEE—By this copy of your performance rating you are notified of the rating and its contents. If you feel this rating is not correct in every particular, you may within 30 days after receipt of this notice request an impartial review and any correction desired. Formal appeal rights are provided by statute and regulations for performance ratings. You may consult your supervisor or your personnel office concerning appeal rights and procedures.

*Enter comments regarding performance in space provided on reverse side (or on attached sheet).

PERFORMANCE RATING REPORT

NAVSO 12431/2

Figure VII-7

COMMENTS: All Outstanding and Unsatisfactory evaluations must be supported by specific and factual information. Other evaluations should be commented on sufficiently to point up the employee's strong or weak points, to give deserved recognition, and to explain any unusual conditions of work affecting performance. As appropriate, trends toward better or worse performance should be indicated. Comments should identify the duties or tasks to which they apply. MAKE COMMENTS BRIEF AND TO THE POINT. ENTER COMMENTS HERE AND NUMBER THEM TO CORRESPOND WITH THE ELEMENTS OR FACTORS COMMENTED UPON.

(If more space is needed, continue on an attached sheet.)

ITEMS BELOW ARE NOT PART OF THE PERFORMANCE RATING BUT THEY LEAD TO INCREASED USE OF PERFORMANCE EVALUATIONS

1. What is being done, or planned, to improve performance, to utilize strengths, and to develop the employee in his job? Include training given or proposed.

2. Has the employee been considered for incentive award based on performance during the rating period? _____
List any items of recognition of performance, including award accorded this employee during the rating period:

DO YOU NOW RECOMMEND AWARD FOR PERFORMANCE? _____

3. What is your opinion of the employee's potential ability, and what is the basis of your opinion? What actions, if any, do you recommend be taken by the employee or management to develop this employee's potential for advancement?

4. EMPLOYEE'S COMMENT--if he desires to comment. *(Comment made here may amplify the items above or indicate any modifications believed needed.)*

NAVSO 12431/2 (Rev. 11-70) (BACK)

PERFORMANCE RATING REPORT

NAVSO 12431/2

Figure VII-7 - Page 2

PERFORMANCE RATING REPORT
NAVSO 12431/3 (REV. 11-79)

S/N-0104-042-3A20

RATING PERIOD FROM: TO.

EMPLOYEE NO. | EMPLOYEE NAME | JOB TITLE AND CLASSIFICATION

NAME AND LOCATION OF ACTIVITY | ORGANIZATIONAL LOCATION OF JOB

THIS SHEET IS A SUPPLEMENT TO PERFORMANCE RATING REPORT - NAVSO 12431/2

	RATING FACTOR NO. IV EFFECTIVENESS IN SUPERVISING, PLANNING AND ADMINISTERING *Rate this factor only for supervisory, planning, and administrative positions.* *Rate only on subfactors pertinent to job* *On left margin, check the most important subfactors*	NA - NOT APPLICABLE OR N - NOT OBSERVED	*EVALUATIONS OF PERFORMANCE (Check)				
			UNSATISFACTORY	SATISFACTORY			OUTSTANDING
				LOW SATISFACTORY	MEETS NORMAL STANDARD	HIGHLY SATISFACTORY	
✓	INDICATE HOW EFFECTIVE EMPLOYEE IS IN:						
	28. LAYING OUT WORK AND ESTABLISHING STANDARDS OF PERFORMANCE FOR SUBORDINATES. (INCLUDES DEVISING ADEQUATE STANDARDS AND KEEPING STANDARDS UP TO DATE.)						
	29. INSTRUCTING, TRAINING AND DEVELOPING SUBORDINATES.						
	30. KEEPING SUBORDINATES ADVISED OF THINGS THEY SHOULD KNOW.						
	31. CREATING SUPERVISOR-EMPLOYEE TEAMWORK AND TWO-WAY COMMUNICATION.						
	32. ESTABLISHING CONDITIONS CONDUCIVE TO WORK ACCOMPLISHMENT.						
	33. SETTING AND OBTAINING ADHERENCE TO TIME LIMITS AND DEADLINES.						
	34. DIRECTING AND REVIEWING THE WORK OF SUBORDINATES.						
	35. PROMOTING HIGH WORKING MORALE. (INCLUDES GIVING DESERVED RECOGNITION AND APPROPRIATELY SUPPORTING SUBORDINATES.)						
	36. DELEGATING CLEARLY DEFINED AUTHORITY TO ACT.						
	37. DETERMINING (OR RECOMMENDING) SPACE, PERSONNEL AND EQUIPMENT NEEDS.						
	38. DEVISING PROCEDURES.						
	39. PLANNING PROGRAMS.						
	40. ADAPTING WORK PROGRAM TO BROADER OR RELATED PROGRAMS						
	41. OTHER: (1) _____ (2) _____ (3)						
	SUMMARY EVALUATION ON FACTOR NO. IV						

*COMMENTS:

(If more space is needed, continue on reverse side.)

PERFORMANCE RATING REPORT

NAVSO 12431/3

Figure VII-8

rating for that employee must include an evaluation of his/her performance in furthering equal employment opportunity (EEO). The Navy Department has issued requirements for formal documentation of EEO performance by supervisors, together with guidelines for evaluating supervisory performance in EEO. Figures VII-9 and VII-10 provide the necessary documentation and guidelines. The Assistant Secretary of Defense (MRA&L) has directed that a supervisor's rating cannot be Outstanding if the EEO rating is less than Outstanding.

(8) Within-Grade Periodic Pay Increases. Employees occupying positions subject to the General Schedule receive, under certain conditions, periodic increases in basic pay rates. These increases are referred to as within-grade increases. An employee, to be entitled to a within-grade increase, must meet the following requirements:

- Must have served the required waiting period for advancement to the next higher rate;
- Must not have received an equivalent increase during the prescribed waiting period; and
- Level of competence must have been determined to be acceptable (not marginal).

The length of the waiting period varies with the numerical rate of a grade in which the employee is serving. The waiting periods are as follows:

- 52 calendar weeks of creditable service to go to rates 2, 3 or 4;
- 104 calendar weeks of creditable service to go to rates 5, 6 or 7; and
- 156 calendar weeks of creditable service to go to rates 8, 9 or 10.

EVALUATION AND RATING FORM
FOR SUPERVISORS PERFORMANCE IN EEO
NAVSO 12430/7 (12 76)

NAME OF EMPLOYEE	POSITION TITLE/SERIES/GRADE
NAME OF SUPERVISOR	PERIOD COVER FROM TO
ORGANIZATIONAL LOCATION	ACTIVITY

Instructions: Read activity guidelines before completing this rating form. Check applicable elements one (1) through six (6) observed during the rating period. In some cases actual circumstances did not prevent to provide a basis for an evaluation on an element. In this case the element is not checked; however, an explanation is made in the remarks section to insure the element was considered. The supervisor is then rated on the elements checked using the activity guidelines and the performance level definitions* shown below. After completing the element ratings assign an overall EEO rating in line with ratings on the individual elements. The overall EEO rating becomes a part of the supervisory ability evaluation when directing the supervisor's effective annual performance rating. The rater, the reviewer and the employee must sign the evaluation. It will be attached to the other performance rating form used by the activity and filed in the Official Personnel File.

√	ELEMENT	UNSATISFACTORY	SATISFACTORY			OUTSTANDING
			MARGINALLY	FULLY	HIGHLY	
	1. Personal participation in EEO leadership and administration					
	2. Selection & promotion					
	3. Treatment of all employees					
	4. Training & upward mobility					
	5. Recognition					
	6. Discipline					
	Overall EEO rating					

* *Performance level definitions*
Outstanding – *Almost* excels in *all* (or almost all) aspects of element
Highly Satisfactory – *Always* (or almost always) excels in *most* aspects of element.
Fully Satisfactory – *Usually* meets performance standards in *some* aspects of element (excels in a few).
Marginally Satisfactory – *Usually* meets performance standards in *some* aspects but *seldom* or never meets standards in a *few*
Unsatisfactory – *Seldom* (or never) meets standards on *most* aspects of element.

REMARKS: *(Give reason why any particular element(s) were not used as part of the evaluation.)*

RATER: I HAVE BEEN THE SUPERVISOR OF EMPLOYEE

FROM: TO: *(Signature)* *(Date)*

REVIEWER: EMPLOYEE HAS BEEN UNDER MY GENERAL SUPERVISION

FROM: TO: *(Signature)* *(Date)*

EMPLOYEE SIGNATURE I HAVE REVIEWED THIS RATING IN AN INTERVIEW WITH MY SUPERVISOR. MY SIGNATURE DOES NOT NECESSARILY INDICATE MY CONCURRENCE WITH THE EVALUATION OR RATING.

(Signature) *(Date)*

EVALUATION AND RATING FORM FOR SUPERVISORS PERFORMANCE

IN EEO

NAVSO 12430/7

Figure VII-9

Guidelines for Evaluating the Supervisor's
Performance in Equal Employment Opportunity

This guideline provides sample questions to assist rating officials in evaluating the performance of supervisors with respect to the EEO needs, objectives and goals that are identified in the local current affirmative action plan and the local current Instruction concerning equal employment opportunity policies and procedures. The rater is required to use the following questions in determining performance of subordinate supervisors in each element.

1. Participation in EEO Program leadership and administration

a. Does the supervisor provide input for local EEO plans and action? Is the supervisor knowledgeable of the local EEO goals and objectives?

b. Does the supervisor keep his/her superior informed of his/her needs to achieve equal employment opportunity goals?

c. Does the supervisor keep subordinates informed on all matters that have equal employment opportunity implications (upward mobility, training opportunities, vacancy announcements, etc.)? Does the supervisor fully understand and support the objectives of the EEO Program? Does he/she explain such matters to employees?

d. Does the supervisor coordinate actions that have equal employment opportunity implication with the department head, equal employment opportunity specialist, civilian personnel officer, or other staff officials whose actions are necessary for program accomplishments?

2. Selection and promotion

a. Does the supervisor give full and fair consideration to all individuals, including minority and women applicants, in recommending or making selections to fill vacancies?

b. Does supervisor consult with the Civilian Personnel Office regarding the locating of qualified candidates for vacancies? Does supervisor take or request action to increase representation of qualified minorities and women among applicants? Does supervisor request that the area of consideration be extended in an attempt to locate qualified minority group and women applicants? Does supervisor participate in efforts to locate and/or attract qualified minorities and women? Does the supervisor take action to structure new or vacant positions in an effort to employ women and minorities?

c. Do the selection and promotion patterns in the supervisor's organization reflect on-going affirmative action in regard to the equal employment opportunity program? Does the supervisor exhibit openess and honesty when dealing with prospective employees?

Figure VII-10

3. Treatment of all employees

a. Does the supervisor consider all subordinates as individuals rather than stereotypes, and is he/she impartial in dealing with all employees? Has the supervisor participated in EEO workshops, training sessions, etc., in order to improve his/her knowledge and skill in working with people?

b. Does the supervisor take positive steps to assure acceptance of all employees including minority group and female employees in the organization? Does supervisor set a personal example?

c. Has the supervisor had any justified complaint of unfair treatment lodged against him/her or the organization? Does supervisor provide for feedback from his/her employees? Does the supervisor listen to problems of employees?

4. Training and upward mobility

a. Does the supervisor assure that all employees are provided equal opportunity for training and self-development? Does the supervisor actively encourage training and self-development of subordinates?

b. Does the supervisor encourage minority group and female employees (as well as other employees) to compete for and participate in training and self-development activities? Does the supervisor assist employees in identifying potential interests and skills which may be developed?

c. Have employees with underutilized skills been identified for placement or potential placement in positions where their skills will be used? Has the supervisor initiated steps to provide upward mobility assignments for employees? Has the supervisor actively supported such programs as the Upward Mobility Program by identifying positions that can be filled under that program?

5. Recognition

a. Does the supervisor provide appropriate recognition and awards, to all employees, including minority group and female employees? Does the supervisor encourage employees to take an active role in planning and meeting organizational commitments and goals?

b. If minority group and female employees are obviously underrepresented in formal recognition and awards, has the supervisor analyzed the causes and taken corrective action?

6. Discipline

a. Does the supervisor ensure that penalties when imposed are equable and fill the needs of the individual and the organization?

b. If minorities or women in the supervisor's organization have received a disproportionate share of disciplinary actions, have the causes been identified and measures taken to correct this situation?

Guidelines (Continued)

Granting of within-grade increases does not occur automatically, and the fact that an individual has received a satisfactory performance evaluation does not necessarily lead to a within-grade raise; work performance must be at a sufficient level to merit a pay increase and not just adequate/marginal for retention of the job. In other words, marginally satisfactory is not enough.

The Commanding Officer and his/her delegates are responsible for determining what constitutes an acceptable level of competence and for determining which employees are performing at an acceptable level of competence. This requirement provides a valuable management devise for recognizing, by within-grade increases, those employees who have performed acceptably.

Every employee must be kept currently advised of his/her work performance and, at least 60 days in advance of the date on which the employee will complete his/her waiting period, the employee will be advised by his/her supervisor of any defect in the quality or quantity of the employee's work which would be the basis for withholding a within-grade increase. Failure to inform the employee of any factor that raises a question about the employee's work being of an unacceptable level of competence does not delay or otherwise affect the requirement for a determination to be made at the completion of the employee's waiting period, of whether his/her work is of an acceptable level of competence. Failure to properly inform the employee of the unacceptable level (in

advance), however, requires that a subsequent determination be made.

Within-grade determination shall be based on the essential requirements of the employee's position, and the increase should be awarded when his/her work performance clearly meets those standards recognizing that for an increase, work performance must be of sufficient level to merit a pay increase and not just adequate for retention on the job. The determination shall be based on the employee's work performance during the waiting period and shall be recorded in writing.

In the interest of uniformity of application of this requirement, all supervisory personnel should avail themselves of published guidelines and training offered at activity levels of CPO, on the subject of within-grade increases.

e. Quality (Performance) Salary Increases (QSI)

Quality increases are designed to recognize and to reward, on a continuing basis, employees at all levels who display continuing high quality performance. The authority to grant additional within-grade increases for this purpose is an important companion to the authority to grant within-grade increases periodically to employees whose work is found to be of an acceptable level of competence. Together, these two statutory authorities provide a degree of flexibility in pay administration which permits greater recognition of the differences in performance shown by employees in the same type and grade of performance.

The statutory standard for a quality increase is "high quality performance above that ordinarily found in the type of position concerned."

In this context, high quality performance is characterized by an employee's performing the most important functions of his/her job in a manner that substantially exceeds normal requirements so that, when viewed as a whole, his/her work performance is of a high degree of effectiveness.

To meet the statutory standard, performance must exceed medium, average or typical work to such an extent that the employee concerned merits faster-than-usual pay advancement. High quality performance is atypical in the sense that it exceeds performance ordinarily found in the type of position concerned. On the other hand, it does not represent such perfection as to be impossible of attainment by a well-qualified employee.

To warrant a quality increase, performance must be sustained at the high level for a reasonable period and must give promise of continuing at the high level. Hence, a quality increase should not be granted until there is sufficient active service upon which to base a conclusion that high qualtiy work is characteristic of the employee's performance.

An employee meeting the high performance standards required for an Outstanding rating under Chapter 43 of Title 5, United States Code, would ordinarily meet the standard of performance for a quality increase described above. This does not mean, however, that the assignment of an Outstanding rating

automatically requires that the employee be given a quality step increase.

f. Promotion

Employment of civilian personnel at a Navy activity is effected in line with conditions that prevail at the particular time. Subsequently, changes in mission, in organizational setup, in relative workloads, or in Congressional legislation may result in changes of grade level of existing positions, as well as in the creation of new positions and the abolishment of former positions.

The Navy policy is to give full consideration to the utilization of employee skills, but management needs must also be considered. Consequently, with any shift in functions or significant expansion or retraction in workload, it may become necessary to upgrade or downgrade the jobs at a given activity.

The Navy Merit Promotion Program has as its primary tenet the concept that for promotion, as for initial selection, the best qualified person should be located and placed in the position. Thus, in addition to meeting Chief of Civilian Personnel qualification standards which apply to initial appointment, candidates for promotion may be required to meet additional standards imposed by the selected activity. Such additional standards must, of course, be relevant to the position, be applied alike to all candidates, and be such that well-qualified persons may reasonably by expected to meet them.

Each Naval activity must have a written promotion program available to employees for their information and the views of employees and their organizations must be sought when changes in the promotion program is the "area of consideration"; it may be a segment of the activity, the activity itself, the Naval district, or a broader geographical area--even nationwide for certain high-level positions. The level of competition should be sufficiently broad to ensure a group of well-qualified candidates. Selection is, of course, a management prerogative; the function of the promotion program is to provide the selecting official a "slate" of top-quality candidates.

The Federal Merit Promotion Program requires the evaluation of applicants on such elements as: Job-related selection placement criteria, experience, awards, special training, self-development and outside activities. The following elements will be used in determining the total quality of the applicant's background in order that highly qualified candidates may be referred to the selecting official:

-Awards (i.e., Outstanding, Quality Step Increases, Superior Achievements or other performance or job-related awards);

-Special training appropriate to position;

-Self-development (i.e., graduate courses or other training or studies);

-Outside activities (job-related, not social or fraternal); and

-Publication, patents, papers.

7. The Incentive Award Program

The Incentive Award Program in the Department of the Navy is part of the overall program for the Federal service; authority for this program is Congressional legislation passed in 1954. In its implementation of procedures for administering this program, the Navy requires that the program be endorsed and supported by all levels of management on a continuing basis. It is therefore mandatory for PWOs to utilize this program to the end that the Navy and its civilian employees derive the greatest possible benefit.

Graded and ungraded employees alike are eligible for various types of awards. Employees should be encouraged to participate in every possible way in the improvement of efficiency and economy in Government operations. Management should recognize and reward individual employees, or groups of employees, for beneficial suggestions, inventions, superior accomplishments, or other special acts or services which are related to their official employment, or which contribute materially to the public interest.

Desired results from this program will be achieved if the following objectives are kept in mind:

-Utilization of employee suggestions and accomplishments to effect optimum use of manpower, money and materials;

-Use of the available incentives, by Commanding Officers and supervisors, to secure employee participation in managerial improvement efforts; and

-Maintaining good morale and satisfactory employee-management relationships by recognition of employee suggestions and superior accomplishments which result in a high degree of benefit to the Navy and to the Government in general.

a. Types of Awards

Under the Incentive Awards Program, cash awards, honorary awards, or a combination of the two, are available for (1) invention and/or beneficial suggestions that are adopted and used by the Federal government; (2) superior accomplishments in performance and achievement; and (3) special acts or service beyond the call of duty. Honorary awards only are available for distinguished, superior or meritorious civilian service, safety records, and length of service.

b. Beneficial Suggestion

A beneficial suggestion is a constructive idea, relating to an official operation, conceived and developed by an employee (or group of employees) and submitted to management for evaluation and award consideration based on tangible and/or intangible benefits to the Navy and the Government.

c. Superior Accomplishment

A superior accomplishment is a contribution by an employee (or group of employees) over and above the normal work requirement of the employee. There are three types of Superior Accomplishments:

(1) Superior Achievement is an achievement by an employee which has resulted in demonstrable dollar economy to the Government.

(2) Special Act or Service is of an unusual or distinctive character or in the public interest and is related to official employment.

(3) Sustained Superior Performance is work performed by an employee which demonstrates sustained superior performance of assigned duties for a period of not less than six months. Not more than one award for Sustained Superior Performance will be granted within a twelve month period.

When an activity takes public notice of the accomplishments of its employees, in any of the areas mentioned above, it is making its own contribution to the establishment of good employee-management relations.

Details of the various awards, those mentioned here and some additional ones, can be found in FPM/CMMI 451.

8. Disciplinary Actions

a. Disciplinary Actions

Heads of Navy activities are responsible for the administration of disciplinary matters involving employees under their jurisdiction. The Commanding Officer should delegate authority for administering discipline to subordinate officers and to civilian supervisors. These officers and supervisors must be careful to handle matters concerning discipline with good judgment and fairness. Heads of activities will determine, in the light of local problems and local organizations, the scope of responsibility of each officer and supervisor.

Most disciplinary actions are occasioned by an employee's failure to comply with existing rules and regulations, established work procedures, and safety practices. Warnings and suspensions should be sufficient to induce the offender to comply with activity rules, but in some cases it may become necessary to initiate actions leading to removal.

It is the policy of the Navy to keep all employees fully and constantly informed of the standards of conduct expected of them. When an employee's failure to comply with these standards is a result of ignorance of the standards, the onus rests upon the supervisor.

Civilian supervisors should keep in mind that along with authority to take disciplinary measures, they have also been charged with responsibility for directing their employees in phases of their work performance.

The administration of discipline must be consistent with the needs. In each case, the penalty must be determined in the light of the facts. There exists a Navy standard schedule of disciplinary offenses and penalties, to assist activities when disciplinary actions must be taken. Part of this schedule is shown in Appendix A.

Any disciplinary action should be weighed in terms of the efficiency it is designed to promote. In general, formal disciplinary action should not be taken in the case of experienced personnel if other means can be used. An emphatic oral admonition, for an employee who has committed his first error, or a suspension without pay in a more extreme case, ought to suffice to correct the offending condition.

The PWO should document all oral or informal written warnings when disciplining an employee, so if the occasion arises that requires formal disciplinary action, the PWO can substantiate the need for formal disciplinary action.

However, suspension as well as removals result in loss of production. These remedies should be used only when other methods fail. The cost of recruiting and training a new employee may be in excess of the cost and trouble of bringing the experienced employee to an attitude and standard of performance that is compatible with the interests of the activity. Withal, there is no guarantee that the new employee will have a better attitude, or a higher standard of performance, than the experienced man or woman.

Although removal of employees should be kept to a minimum, there will be cases where an employee's performance warrants suspension or removal. The action must be fully justified and substantiated. There are two sets of procedures that may be followed: formal and informal. The informal procedure is used in the case of any employee who has no protective rights by virtue of his type of appointment or veteran status. The formal procedures must be taken where the employee is a veteran, or has completed probationary period and acquired competitive status.

Prompt action is required if there is to be maximum effectiveness. Charges should be preferred as soon as possible after the offense is committed. All hearings should be conducted in a fact-finding spirit. The employee should be notified promptly of the final decision.

Every effort should be made to help the employee understand the basis of the decision. He should be advised that removal through disciplinary action does not necessarily

cause the employee to forfeit eligibility for future Federal employment. If within six months of the removal action, the discharged employee makes a request to the Merit Systems Protection Board, the Board will investigate the circumstances surrounding his dismissal, and will decide the suitability for further Government employment.

The Civilian Personnel Department of the activity will provide advice and assistance in all matters of discipline. The staff in these offices are familiar with the provisions of FPM 751 (Disciplinary Actions and Prohibitions), and are interested in seeing that the Navy policy in this respect is enforced for the benefit of all concerned. Examples in Figure VII-11 through Figure VII-17 will provide assistance to the PWO in matters of this nature.

b. Demotions

In most downgrading actions (whether caused by reclassification of a position, reduction-in-force, or disciplinary action), the employee affected must be given advance written notice of the proposed actions.

This notice must state all the reasons for the proposed action, giving them specifically and in detail. It must advise the employee of his rights to appeal the action. It must be in the employee's hands 30 calendar days before the proposed action is to take place; the 30 days must be exclusive of the date of receipt.

When final decision is reached in a downgrading case, the employee must again be notified in writing. This

Letter of Reprimand. If the immediate supervisor decides to give the employee a Letter of Reprimand, he must prepare (i.e., handwriting is acceptable) in the suggested form, sign and date it, deliver the original to the employee and have him sign and date his signature.

From: Immediate Supervisor's FULL NAME and Title

To: Employee's FULL NAME and Civil Service Rating

Date: Date of preparation

Infraction: Call your Administrative Officer to find out if any previous offenses of same type have been committed within the reckoning period.

Offense Number: From Standard Schedule

Reckoning Period: From Standard Schedule

Explanation Hearing: Give date and hour of your informal discussion with the employee.

Specific Offense: Use only the part of the "Nature of Offense" from the Schedule which describes the employee's actual conduct and leave out parts which do not apply. For example, if an employee used abusive language which was not obscene, he should be charged with abusive language only and not with Offense No. 27 it its entirety. Describe specifically the action or lack of action by the employee. Explain why the reasons given by the employee in your informal discussion are not acceptable. (If the employee makes no comment, so indicate on the form). Explain your reasons for taking the action.

LETTER OF REPRIMAND

(SUGGESTED CONTENT)

Figure VII-11

From: Immediate Supervisor
To: Employee

Subj: Letter of Requirement

Ref: (a) FPM 430

1. This is to confirm your quarterly appraisal discussion on 30 May 1979 and is issued in an effort to assist you in improving your work performance. During the past three (3) months your work has not met the standard requirements for your position. From my observation of your work, the following deficiencies have been noted.

a. You are careless in the typing aspects of your work.

b. You do not begin to work promptly in the morning or after the lunch break.

c. You leave customers standing at the counter while you drink coffee and carry on personal conversations with your co-workers.

d. Your reports are not submitted by the due date.

e. Although the workload has not been unusually heavy, your backlog consists of 50 unfinished orders.

2. The following are requirements to be met to bring your work up to quality standards established for this shop:

a. You must be more thorough and pay strict attention to details in performing your work. Proofread your typing so that you are certain that the proper accounting data, quantity, item, and stock number are typed on each order.

b. You are to begin work promptly at 0800 and at 1230 after the lunch break.

c. We are a service organization and the customer is to be given prompt, courteous attention. There are not specific "breaks" for coffee within this shop and coffee is available for consumption at any time during the day when it does not interfere with the regular work operations. Personal conversations will be held to a minimum, and confined to the work in progress.

d. You are to maintain a "tickler" file with the date of submittal for each report. Deadlines for these reports will be met.

e. By steady application to your assigned tasks and by working a full 8 hours each day, it is felt that your backlog will be eliminated.

3. I will review your workload with you at the end of each working day to determine your progress. In addition, I am available to answer your questions and to assist you in improving your performance of work.

Signature

SAMPLE LETTER OF REQUIREMENT

Figure VII-12

From: Immediate Supervisor
To: Employee

Subj: Proposed Disciplinary Action; notice of

Ref: (a) FPM 751

1. In accordance with reference (a), which contains regulations governing conduct of employees of the Navy Department, you are charged with violation of these regulations as follows:

2. You will be allowed until to answer these charges personally and/or in writing and to furnish affidavits in support of your answer. Your answer may be made on the reverse side of the personnel folder copy of this form. You may retain the original.

3. You will be granted a hearing on these charges, upon request, and may have a representative and witnesses. Witnesses must be acquainted with the facts of the case and/or present factual evidence. Your request for a hearing should be included in your reply. Even though you do not request a hearing, the Senior Civilian Supervisor may conduct a hearing if considered advisable. During these procedures, you will be carried in a work status.

4. In the event the violation described above is substantial, then, in accordance with the reference (a), it is proposed to assess a disciplinary penalty in accordance with the Standard Schedule of Disciplinary Offenses and Penalties of the Navy Department. The Schedule of Penalties provides for the following range: For the infractions, (Min.) to (Max.); reckoning period.

5. Your record contains the following derelictions of duty (if none, so state):

6. After consideration of your reply, if any, a written decision will be furnished you advising the action which will be taken in this matter. In the event a penalty is assessed as a result of these charges, you will also be advised of your right to appeal such action.

Signature

SAMPLE LETTER OF NOTICE OF PROPOSED DISCIPLINARY ACTION

Figure VII-13

From: Supervisor FULL NAME and title
To: Employee's FULL NAME and rate

Date: Date of filling out the form

Ref: Nothing necessary

Paragraph 1. Offense No. from the schedule. Applicable parts of offenses from the schedule. Describe specifically the action or lack of action by the employee. Explain why the reasons given by the employee in your informal discussion are not acceptable. (If employee made no comment, so indicate on the form.) Explain your reasons for recommending the action. State the recommended action and the proposed effective date.

Paragraph 2. Fill in the blank with a date that will allow 5 working days (not counting the date of delivery of the form to the employee).

Paragraph 3. Nothing necessary.

Paragraph 4. Call your Administrative Officer to find out if any previous offenses of the same type have been committed within the reckoning period. Fill in the proper number of this infraction and from the schedule, fill in the minimum and maximum penalties for that infraction.

Paragraph 5. Call your Administrative Officer to find out all the previous offenses of all types committed by the employee within the past two years. List these offenses and penalties in the blank space.

Paragraph 6. Nothing necessary.

Signature

LETTER OF NOTICE OF PROPOSED DISCIPLINARY ACTION

(SUGGESTED CONTENT)

Figure VI-14

From:
To:

Subj:

Ref: (a) FPM 751
(b) Station Disciplinary Action Instruction
(c) Station Employee Appeals Procedure Instruction

1. This letter of reprimand is issued to you in accordance with provisions of reference (a) and authority delegated to me in reference (b).

2. The letter is for the above-numbered infraction of the Standard Schedule of Disciplinary Offenses and Penalties for Civilian Employees in the Naval Establishment (NAVEXOS P1095A). The offense is detailed below.

3. Your explanation of the offense was heard as indicated. The statement was not satisfactory. Repetition of this offense within the reckoning period will result in more severe disciplinary action.

4. You may appeal this action under reference (c).

Signature

LETTER OF REPRIMAND NOTICE

(SUGGESTED CONTENT)

Figure VII-15

From: Immediate Supervisor
To: Employee

Subj: Letter of Caution

Ref: (a) FPM 751

1. This letter of caution confirms our verbal discussion on 22 April 1979 concerning your Unauthorized Absence. You did not report for work on 29 October 1979 nor did you contact your supervisor concerning your absence. Your explanation that you overslept and thought it was too late to come in does not justify your actions.

2. I have verbally discussed your leave record with you on several occasions. As recently as 15 March 1979 I again pointed out to you that any absence for annual leave must be arranged for and approved by your supervisor, in advance.

Signature

SAMPLE LETTER OF CAUTION

Figure VII-16

From: Date:
To:

Subj: Proposed Disciplinary Action

Ref: (a) FPM 751

1. You are herewith notified of proposed disciplinary action with regard to your violation of regulations contained in reference (a). Specifically, you were charged with:

2. Any evidence submitted or answer made by you have been considered, and it is my recommendation to based on the following facts:

3. You will be notified of the command action in this case.

4. If command sustains this recommendation, the length of the reckoning period to be imposed in this case is . A repetition of this offense or other violations during this period may result in a more severe penalty.

5. Appeal Rights:

Signature

Copy to:
Employee
Official Personal Folder
Department Head
Command (Action Copy)

LETTER OF PROPOSED DISCIPLINARY ACTION

(SAMPLE FORM)

Figure VII-17

second notice must restate the reasons given in the first notice, it must state the reasons for the adverse decision, in the case of employee appeal and it must be submitted to the employee at least five days before the effective date of the downgrading action.

It should be made clear to employees that in demotions as a result of regrading, such demotion refers to the level of the duties and responsibilities of the job and is in no way a reflection upon the worth of the employee.

Since all demotions must be affected in accordance with Civil Service regulations, and in the case of veterans, with the provisions of the Veteran's Preference Act, all factors should be carefully considered before any decisions are made. Also, in the interest of good employee-management relations, downgrading procedures must be given due deliberation and careful handling.

9. Grievances and Adverse Action Appeals

a. General

An appeal is a request of reconsideration of a decision to take adverse action removal, suspension for more than 14 days, and furlough without pay. A grievance is an expression of dissatisfaction with some aspect of an employee's employment situation which he/she seeks to have corrected (i.e., working conditions or environment, inadequate parking facilities, lack of opportunity for overtime, relationships with supervisors or co-workers, a change of assignment, etc.). The basic difference is that in an appeal the employee has suffered

a material loss, whereas a grievance ordinarily involves no loss at all, or, if it does, a less serious one. They are handled differently because an employee affected by an adverse action is entitled under law and Executive Order to certain rights, including the right to appeal, whereas, grievances concern matters which are not ordinarily subject to review outside the agency.

The PWO should be aware that there exists Navy grievance procedures and union grievance procedures. There are activities that have either the Navy grievance procedure or the union grievance procedure and some activities that utilize both procedures. Each procedure has its own unique advantages and disadvantages and the PWO should be aware of them.

An adverse action may be taken against the employee "only for such cause as will promote the efficiency of the service." A just and substantial cause is necessary as a basis for an adverse action and the propriety of the action must be determined on the merits of each individual case.

b. Appeals from Action Based on Unacceptable Performance, Personal Cause and Other Reasons

(1) Adverse Actions. Removal, suspension for more than 14 days, reduction in grade or pay, and furlough for 30 days or less are appealable to MSPB. The concept of "reduction in rank" is abolished as an appealable matter.

(2) Right to a Hearing. Employee is entitled to a hearing on appeal to MSPB.

(3) Burden of Proof. Burden of proof rests upon the agency.

(4) Standard of Review.

(a) Decision of agency to be sustained only if the agency's decision, in the case of an action based on unacceptable performance, is supported by substantial evidence; or in any case, if supported by a preponderance of the evidence.

(b) An agency's decision may not be sustained if the employee or applicant shows harmful error in the application of the agency's procedures in arriving at such decisions; shows that the decision was based on any prohibited personnel practice; or shows that the decision was not in accordance with the law.

(c) Same standards apply whether decision is handled by MSPB or an arbitrator.

(5) Payment of Employee's or Applicant's Attorney Fees. Payment of fees by an agency may be required if employee or applicant prevails and MSPB, FLRA or the arbitrator determines that payment by the agency is warranted in the interest of justice, including any case in which the agency engaged in a prohibited personnel practice or any case in which the agency's action was clearly without merit.

(6) Judicial Review of Appeal Decisions in Court of Claims or U.S. Court of Appeals.

(7) Appeals That Include Discrimination Issues. The following procedure applies to all cases involving any action that is appealable to MSPB and which includes an allegation of unlawful discrimination ("mixed cases");

(a) In such a matter before an agency, the agency has 120 days to resolve it. The agency's decision then becomes judicially reviewable unless the employee appeals to MSPB within the time limits set by MSPB.

(b) MSPB decides both the issue of discrimination and the appealable action within 120 days of filing of the appeal. No EEOC participation at this step. Decision and order of the MSPB represent final agency action and shall be judicially reviewable unless the employee petitions EEOC to reconsider within 30 days after notice of MSPB's decision.

(c) Employees may appeal to MSPB when the agency fails to issue a decision within 120 days.

(d) These provisions do not affect the right of trial do novo (new trial) under applicable law.

(8) Representation. The employee is entitled to have a representative of his own selection if so desired. The representative may be an attorney, a labor union, a veterans' organization or anyone else who is willing to act on the employee's behalf. The employee may designate his representative in the letter of appeal.

A union with exclusive recognition is entitled to be represented, as a matter of right, at a hearing on a grievance. In an adverse action appeal hearing, however, the employee may object to the attendance of a union representative on grounds of privacy. In this event, the appeals officer determines the validity of the objection and makes the decision on the question of attendance.

(9) Informal Grievance Appeal. An employee is entitled to present a grievance under the formal grievance procedure if:

-The employee has completed action under the agency's prescribed informal procedure; and

-If the formal grievance is filed within the time limit established upon completion of action under the information procedure.

CMMI-771 prohibits acceptance of a grievance for processing under the formal procedure which has not been processed through the informal. The following steps and actions apply to the processing of grievances in the informal procedure.

(a) An employee may present a grievance concerning a continuing practice or condition at any time; however, where the grievance is concerned with a particular act or occurrence, the employee must present his grievance within 15 calendar days of the date of that act or occurrence or the day he becomes aware of that act or occurrence. The time limit may be extended for good cause shown by the employee. The official who would otherwise render a decision at Step 1, as described below, on the merits of the grievance may recommend to the Commanding Officer via the department head that the grievance be rejected without consideration of its merits if it is filed late without good cause being shown for its late submission, or if the official considers that the matter grieved does not come within the purview of the grievance procedure. The Commanding Officer may reject a grievance on such procedural basis, in which event the employee has the right, and will be so advised, to protest that decision.

(b) The employee may submit his grievance either orally or in writing, and must initally present it to his immediate supervisor. He has the right to be accompanied by a representative at this and all future steps in the grievance procedure. If the resolution is not within the authority of the immediate supervisor, he/she shall refer the employee to the official having such authority. The appropriate official shall make such investigation as he/she considers necessary and advise the employee of his/her findings and decision. The findings and decision may be given orally or in writing, as deemed appropriate. The decision will be rendered as promptly as possible, and normally not later than three days from the date the grievance was received.

(10) Formal Grievance Procedure. An employee is entitled to submit a grievance under the formal grievance procedure outlined in the current Negotiated Labor-Management Agreement. The grievance must be in writing and shall be addressed to the Commanding Officer; it must contain sufficient detail to identify and clarify the basis for the grievance; and it must specify the personal relief requested by the employee.

(11) Procedural Note. It should be noted that appeal procedures, while overall are well established as to absolute items that must be covered, are sometimes modified locally or regionally. The PWO is well advised to seek guidance from the Civilian Personnel Office prior to acting on appeals and grievances.

10. Separation and Reduction-in-Force

a. Separations

Any personnel action which results in the loss of a civilian employee to the Naval establishment is technically a separation. Most such separations will by effected by the personnel department. Transfers, military separation, administrative separations, and so forth, need not be discussed here; but it is advisable to say something about resignations, retirements and reductions-in-force.

b. Resignations

Resignation is always a voluntary act on the part of the employee. He/she should give advance notice (two weeks at least) of intention to resign; this allows management a chance to replace the employee or to make work adjustments. However, the employee cannot be forced to give notice; he/she fixes the effective date.

An oral resignation must be accepted, but it is advisable to have the employee give a written confirmation. If the employee does not do so, it is a good idea to provide him/her with a written notice of acceptance of resignation. This provides a record of the action, protecting the employee against any claim of abandonment of job, and clearing the way for steps to replace him/her before actually leaving.

c. Reduction-in-Force

Whenever a curtailment of the working force is required, the activity management should determine as quickly as possible the extent to which this reduction must take place.

Reductions-in-force are made in the order in which employees would be released according to the competitive level on a retention register established by the activity personnel office. These registers list all employees by retention preference within the specific competitive area.

It is necessary to know what area is included in the competitive area, since it may vary from case to case. In general, the competitive area as established in a reduction-in-force action is an activity, or an especially designated part thereof, within which employees are assigned, promoted or demoted by a single administrative authority. However, additional competitive areas may be established by the supporting bureau or office.

A competitive level is defined as all positions (within a competitive area) where the duties, responsibilities and working conditions are so similar that an exchange of personnel is feasible.

(1) Commanding Officer. The initial decision to conduct reduction-in-force, and subsequent decisions as to when the reduction will be made, and the size of the reduction, are local management determinations, subject of course, to pertinent directives of the management bureau or office. In addition to compliance with the regulatory and procedural requirements of the retention preference regulations, it is the policy of the Department of the Navy that all practicable steps be taken to lessen the impact of reduction-in-force on employees and on the community.

(2) Advance Planning and Preparation.

(a) To the maximum extent practicable, changes in activity mission, workload, funds, personnel turnover and any other factors affecting employment levels, should be anticipated with a view to maximum utilization of vacancies for the placement of employees who might otherwise become surplus.

(b) Within the Civilian Personnel Office, enough employees should be trained, as a unit, to process any reduction-in-force that may become necessary and to operate outplacement programs.

(c) Supervisor development programs should include the basic principles and procedures of reduction-in-force.

(d) When it becomes apparent that a reduction will become necessary, preliminary determinations concerning the extent of the RIF, the rights of the employees likely to be affected, and other considerations, should be made known promptly. Delay in getting necessary RIF under way almost always results in more drastic and far-reaching affects than would otherwise have been the case.

(e) The Office of Personnel Management recommends, as a desirable personnel practice, letting employees and their (exclusive) labor organizations know in advance the extent of the area within which they will compete in the event of reduction-in-force. Any change in competitve areas should, of course, be similarly made known to employees and the exclusively recognized employee labor organization(s).

(3) Advice and Assistance to Employees.

(a) Employees should be given the maximum feasible information concerning reduction-in-force. Appropriate media are activity newspapers and group meetings; the latter, since they provide an opportunity to ask questions and clarify misunderstandings, are desirable. It follows, of course, that supervisors should be fully informed in advance, so that they may be in a position to give clear, factual, and complete explanations to their subordinates.

(b) Navy Department's pamphlet entitled "Trade Talk", special issue 1973, No. 1. This special issue "Mechanics of a RIF" explains reductions-in-force procedures and covers the points in which all concerned are most likely to be interested. Activities undergoing RIF are urged to make this pamphlet available to all employees.

(c) Outplacement programs should be tailored to the locality, the size of the reduction-in-force and the categories of employees affected.

(4) Retention Groups and Subgroups. Relative retention preference for reduction-in-force action is based on tenture, veteran preference, length of service and performance rating.

(a) Initially, employees are placed in Retention Groups I, II or III on the basis of tenure, as described in the following paragraph. Within each competitive level, all employees in Retention Group III are reached for action before any employees in Retention Group I. Employees who are

serving under appointments limited to one year or less and employees whose current performance ratings are unsatisfactory are not in retention groups and are not listed on retention registers.

(b) Group I comprises, in general, career employees who have completed probation and are not serving in obligated positions; Group II comprises, in general, career-conditional employees and career employees in obligated positions; Group III comprises those serving temporary appointments pending establishment of register, those holding indefinite appointments, and nonstatus employees.

(c) Within each retention group, employees are divided into two subgroups. Those who are entitled to veteran preference are in subgroup "A" and all others are in subgroup "B". Subgroup "B" employees are reached before any employee in Subgroup "A".

Within each retention subgroup, employees have relative retention preference in the order of their total length of Federal service.

(5) Length of Service--Establishment of Service Computation Date. Activities shall establish a service computation date for each competing employee. The service computation date for each employee is whichever of the following dates reflects the total length of service (including creditable military service), and performance rating credit.

-The date of his/her entrance of duty, if he/she had no previous creditable service;

-The date obtained by subtracting the total creditable previous service from the date of his/her latest entrance on duty;

-The date obtained by subtracting from the abovementioned the service equivalent of four additional years of service (if the performance rating of record--previous period--is Outstanding).

(6) Summary of Reduction-in-Force Procedure.

(a) Competitive areas are established according to primary subdivisions of an agency. In the field service each Naval activity usually constitutes a competitive area.

(b) Competitive levels within which employees compete for retention, are established in each competitive area. Positions in a competitive level must be similar enough that interchange of personnel, without undue interruption of work, is feasible.

(c) Within each competitive level, employees are placed in retention groups according to tenure (kind of appointment).

(d) Retention groups are divided into subgroups separating employees entitled to veteran preference from nonpreference employees.

(e) Within each subgroup, employees are ranked in order of length of Federal service.

(f) When a reduction-in-force in any competitive level becomes necessary, employees are reached for action in the order of their subgroup standing and within their subgroup in order of length of service--BOTTOM UP.

(g) Employees reached for reduction-in-force action compete, on the basis of relative retention preference,

for positions for which they are qualified, but which are occupied by other employees with lower retention standing.

(h) Employees who cannot be placed in the activity are separated. Those having Career tenure, however, are accorded certain reemployment rights in the Navy and elsewhere in the Federal service.

11. Equal Employment Opportunity

To ensure the continuance of an affirmative, purposeful and imaginative approach to full implementation of the Equal Employment Opportunity Program, each individual activity must develop meaningful action programs. Each activity (including headquarters offices) must issue an Affirmative Action Plan tailored to meet the needs of its situation and local conditions, specifying practical, realistic, short and long-term goals, and target dates.

The Commanding Officer must take the necessary action to ensure that the following minimum requirements are successfully achieved:

-A current published personal policy statement by the activity head supplemented by specific and periodic oral and written pronouncements to ensure continued attention to the policy by all levels of supervisors and employees;

-An individual or a special group designated to conduct a continuing evaluation of EEO and related programs and to make recommendations for changes and improvements. (Consideration should be given to assigning this responsibility to the EEO Committee;

-A local Affirmative Action Plan published for minority groups and women setting forth specific goals and target dates;

-NAVEXOS P-2411 (Poster) properly annotated and posted on all official bulletin boards;

-A continuing dialogue established with community minority group leaders;

-Specific recruitment efforts in predominantly minority communities and schools, in women's schools and through contact with minority and women's organizations, groups, and leaders. Integrated recruiting teams should be used for recruitment whenever practicable, particularly in predominately minority schools;

-EEO included in supervisory development programs on a regular basis;

-A training program designed to provide an opportunity for the disadvantaged to improve their qualifications for advancement;

-Minority employees and women participating on an equal basis in training programs, detail assignments, temporary promotions, and additional pay assignments;

-Minority group members and women represented on promotion boards and other boards and committees where membership is appointive;

-Measurable improvement in the status of minorities and women at the activity.

-Achievements of individual minorities and women published in appropriate media including particularly the minority press, women's section in newspapers, women's publications, and in-station publications;

-Activity program accomplishments and/or progress published at least annually;

-Discrimination complaints, both formal and informal, processed and resolved expeditiously;

-Organized employment groups encouraged to make substantial contributions to the successful achievement of EEO goals;

-At least semi-annual review by the head of the activity of EEO accomplishments with department heads.

Line management officials have a continuing responsibility to actively support the equal employment opportunity policy and to communicate this support to subordinates. They must ensure equality in determining qualifications, selections, promotion, training, details, discipline, and awards of employees.

They must also cooperate fully in investigating any formal or informal discrimination complaints so that proper, objective, and expeditious action may be taken. Supervisors are expected to cooperate fully in developing and carrying out affirmative action efforts, especially with respect to motivating, training, and developing minority personnel and women, as well as other employees.

The Civilian Personnel Officer and his/her staff occupy key roles in the Equal Employment Opportunity Program. They are responsible for many functions involving employment, training, promotion, and employee counseling which have a critical impact on the effectiveness of the program. All Personnel Office employees should be held responsible for assisting in developing and executing aggressive, affirmative action plans and projects.

Each Commanding Officer is designated as the Equal Employment Opportunity Officer (EEOO) of that activity.

Heads of activities must appoint sufficient EEO Counselors to meet the activities' needs to maintain an open and sympathetic channel through which employees and applicants may raise questions or grievances and get resolutions. Before filing a formal discrimination complaint, the complainant must meet with the EEO counselor. In this regard, physical dispersion and ready accessibility, along with weight of numbers, should be given careful consideration. An Equal Employment Coordinator is normally designated at each activity. The Coordinator should be of sufficient stature in the activity to

merit the respect and cooperation of senior military and civilian managers.

Each activity normally designates a person to serve as special advisor to the activity head on the Department of the Navy's Action Program for Women. Ideally, this collateral designation should be a female employee working in a professional or technical level on par with male employees. She should be interested in advancing the program as well as capable of devising imaginative approaches and presenting the Department of the Navy's program before various groups.

Each activity must also establish a committee on equal opportunity to serve in a staff advisory capacity to the activity head. Specific functions and responsibilities of the EEO committee are to be determined by the activity head. Guidelines are contained in CMMI 713-D. Although the functions of the committees may vary, depending on the local situation and command policy, the relationship of the committee and the EEO Coordinator should be made clear. The committee should function in an advisory capacity.

12. Labor-Management Relations in the Federal Service

Beginning with Presidential Executive Order 10988 in 1962, EO 11491 of 1969, EO 11616 of 1971, (11636 of 1971-State Department only) and EO 11838 of 1975, the Federal Government recognized the right of its employees to be represented and to bargain collectively with their employer, and to negotiate agreements governing their relationship. Currently, more than half the Navy's civilian employees are covered by such contracts. Very often, the PWO will be required:

-To deal with employees within his department in a manner stipulated by terms of a negotiated agreement;

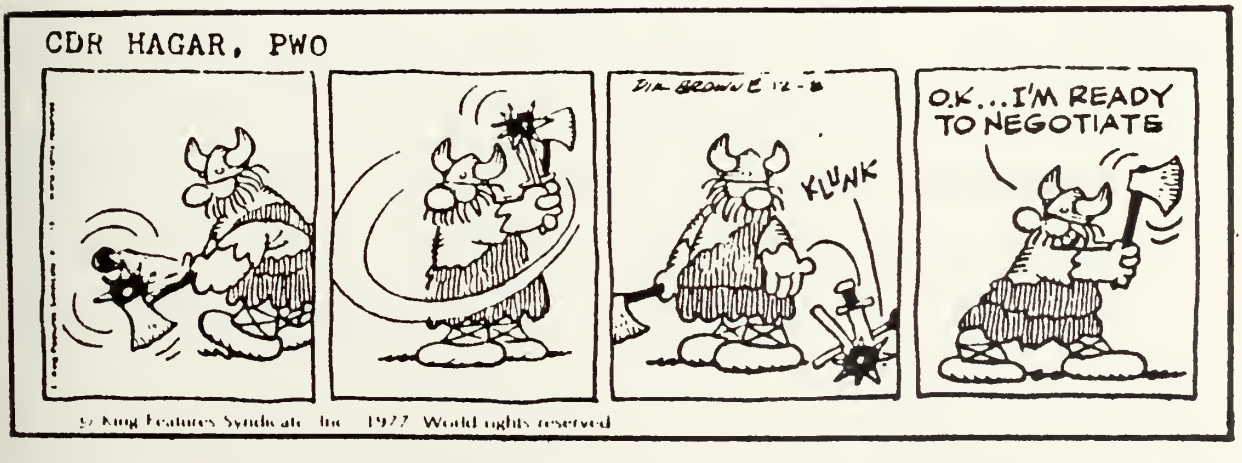
-To participate, as a negotiating team member, in negotiating or renegotiating such an agreement; and

-To conduct negotiations with a union as management's chief negotiator.

While the business of collective bargaining has for almost a century been a way of life in many private parts of our economy, collective bargaining experience in the public sector spans little more than a decade. In other words, management in the public sector is often temperamentally unequal to the task, as well as being unskilled for it. Public sector management, having been insulated from the main stream of industrial activity with respect to labor-management relations, must learn and learn quickly to operate within the prescriptions imposed by new concepts of employee relations.

EO 11491 as amended (by 11616, 11636 and 11838) lists certain management practices as unfair, i.e., management shall not:

-Interfere with, restrain or coerce an employee in the exercise of the rights assured by this Order;



-Encourage or discourage membership in a labor organization by discrimination in regard to hiring, tenure, promotion or other condition of employment;

-Sponsor, control or otherwise assist a labor organization, except that an agency may furnish customary and routine services and facilities under Section 23 of the Order when consistent with the best interests of the agency, its employees, and the organization, and when the services and facilities are furnished, if requested, on an impartial basis to organizations having equivalent status;

-Discipline or otherwise discrminate against an employee because he filed a complaint or gave testimony under the Order;

-Refuse to accord appropriate recognition to a labor organization qualified for such recognition; or

-Refuse to consult, confer, or negotiate with a labor organization.

It has been said that management gets the type of union and union leadership it deserves. If management accepts labor-management relations as an unwanted obligation, and lets this be known, then it will likely get non-cooperation from the union and the unions' leadership and little, if anything, will be realized of the investment management makes in this program. If, on the other hand, management really believes in the objectives of the program, and lets this belief be known, then it is more likely that the relationship will be productive and will contribute to the effective conduct of the public business.

The union can greatly assist management in identifying problems, pinpointing weaknesses, suggesting improvements, and otherwise helping to accomplish the mission in an efficient and economical manner.

The first order of business for the PWO, given the existence of a negotiated agreement, is to study it--not just read it. FPM 711 should also be studied. Living under the contract can be a positive, cooperative experience. It can also be an exasperating, counter-productive experience. The relationship between the line manager and the union's steward is crucial, and the seeds of cooperation or non-cooperation are cultivated in this relationship. Managers must understand the steward's function. One labor organization describes a steward as follows:

> "A shop steward is the most important man in the union. He has often been called the 'backbone' of the union. To the members of thousands of Locals he is 'Mr. Union'. What the members think of the union and kind of support he or she will give depends to a great extent on the efficiency of the shop steward. He is the leader of the shop, office or department.
>
> "A union may have the best group of officers and best executive board, but with incompetent stewards the members are helpless. Your agency, workshop or office may have the best policies that can be written, but without an informed shop steward they will not be carried out. Both union and management are powerless to function properly without competent stewards.
>
> "We repeat, it is the steward who is Mr. Union to the members in the shop or office and to the supervisor. The supervisor rarely sees any of the union officers, and even the dues-payers seldom meet the officers. The person they come in contact with is the steward who accepts applications, collects dues and is the one to contact with gripes and grievances. Since he holds such an important position in the union, and the prestige of the union depends on his every action, he should be well informed regarding his duties, his responsibilities, and the rights of the members.
>
> "The shop steward and the supervisor play a vital part in the production of any department. A definite correlation exists between the manner in which their relationship is maintained on a day-to-day basis as well as the efficiency of the department. The shop steward

recognizes the fact that the supervisor is the head man in the department, and as such, is responsible to higher management for the quality and quantity of work. It might be well to point out that in more enlightened situations he is also held responsible for maintaining sensible relationships with the employees. The supervisor is the key man for management. The shop steward is the key man for the union. These two must work together in good faith on department problems. They must be willing to cooperate. They must be anxious to settle grievances as they arise, exercising a positive and friendly approach. As the representative of the employees, the steward must respect the supervisor, as he in turn, expects to be respected by the men and women he represents.

"The reputation of a good steward does not rest on the number of grievances he settles, but on the number he settles in the primary state. He knows the proper way to approach the supervisor, or any member of management, is as an equal seeking the solution to a common problem. Remember you are not two gladiators in the arena about to fight. Only people who are not sure of themselves feel the need for a front and appearing aggressive, domineering and belligerent. You have nothing to fear, being fully protected by controlled temper and your sense of humor. Be positive and friendly in your approach--never hesitant, be disagreeable and on the defense."

a. Principal Right of Unions

One of the union's most prized rights under exclusive recognition is that management is required to consult with union representatives on matter affecting employees. The management team will undoubtedly find that stewards and other union officials are particularly aware of this right to be brought into the act when new or revised personnel policies are under discussion. This will be especially so until such time as they become personally sure that management fully accepts them and acknowledges their right to be concerned with the satisfaction of the needs, desires, and expectations of employees and the union.

If management does not accept the steward (ignores or challenges the steward's right to be involved in the process, he or she may act in a number of undesirable ways. To illustrate, the steward may actually go out and solicit grievances or may agree to prosecute unjustified complaints, just to dramatize his or her availability and usefulness to employees; or the steward may try to get employees to look suspiciously at innocent management acts. Indirect reaction affecting the steward is where a potentially cooperative steward becomes so frustrated by management indifference or hostility that the employees begin to feel that the steward cannot effectively represent them. When this happens, the union will most likely look around for a stronger, more aggressive steward and, as a result, this can trigger further problems.

The other side of the coin, of course, is where the steward feels that management accepts him or her and acknowledges his or her right to participate in the making and administration of the 'law of the shop'. Given this situation, and assuming that the steward is also a reasonable individual, he or she will most likely try to avoid such action as soliciting grievances or prosecuting unjustified complaints. The supervisor will also be able to enlist the steward's aid in communicating to the employees the reasons for managements objectives which are compatible with employee goals. Finally, if the steward feels free to come to the supervisor, he or she will likely keep the manager better informed about the way in which employees are responding or may respond to management

plans as well as providing helpful suggestions from time-to-time.

b. Supervisor-Employee Relationship

Misunderstanding with respect to the contract will arise over a variety of issues. One of the most common sources of such problems is in connection with the administration of work rules governing such subjects as the distribution of overtime, wash-up time allowances and leave administration. Even with a written contract, these subjects will probably continue to be sources of misunderstandings, but much can be done to bridge the gap between management and the workforce and lead to an improved labor-management relationship.

The supervisor, by virtue of his or her position, can do much to foster understanding between management and the employee. The simple act of starting a conversation, for example, is a relatively easy matter for most supervisors, but something which many employees approach uneasily. However, if these "conversational" contacts are limited to periods when the employee is upset about this or that problem which the supervisor is discussing, they may lead to further misunderstanding rather than greater understanding. In this area, however, one other caution needs to be mentioned--the supervisor must make sure not to cause misunderstandings between the employee and the steward in his or her effort to avoid supervisor-employee misunderstandings.

c. Supervisor-Steward Relationship

The difficulties involved in maintaining an effective supervisor-employee working relationship are compounded

when the employee also happens to be the union steward. The source of misunderstanding often centers around the employee-steward's activities in connection with representational duties covered in the contract, or more likely, those not spelled out in detail in the contract. Probably the most common sources of misunderstandings concern rights of the steward when conducting official business, the type of permission needed when going on union business and what is to be considered "internal" union business versus "representational" activities.

Stewards are entitled to a reasonable amount of official duty time to perform their "representational" activities, but official time for internal union business is prohibited. Typical of internal union business are the collection of dues from members of the unit and the recruitment of new members. Since situations could arise as the result of either deliberate action or an honest misunderstanding of the terms of the contract, the supervisor is faced with a substantial challenge in his or her efforts to make the supervisor-steward relationship a productive one.

The supervisor of an employee who is also a union steward has, by definition, a dual supervisory responsibility. First, the supervisor must give the same supervision to the employee-steward as he/she does to any other employee in the performance of his/her assigned duties. Second, and this is often the more important of the two responsibilities, the supervisor is management's monitor of the employee when that employee is carrying out his/her contract administration

responsibilities for the union. It is here that the supervisor becomes wide open to criticism from both management and the union because the supervisor must often decide what are reasonable bounds for the employee, who is engaged in administering a contract covering employees who may or may not work in the supervisor's area of responsibility. Since the employee is, in effect, serving two masters when carrying out steward roles, there are numerous opportunities for misunderstanding between the supervisor and the employee-steward. The best guide for the supervisor if he/she is to be successful in this effort, is to know the scope of authorized steward activity and to work with the steward to develop practical ground rules to this effect from the outset of the relationship.

d. Manager-Supervisor Relationship

Another area where misunderstandings regarding the terms of the contract sometimes arise is the manager-supervisor relationship. The situation for the first-line supervisor is considerably different from that of the middle manager or the top manager level. The first-line supervisor must get a full day's work for a full day's pay from each worker. The top manager is concerned with policy and planning matters, setting up and maintaining an effective communications system, and generally, doing what he can to provide an overall climate that will help assure employee-management cooperation. The middle manager is just that; a "middle man" who is responsible for overseeing the first-line supervisor-employee relationship taking place at the primary action level. The middle manager must

make sure that the policies and practices established by top management are, in fact, implemented and followed by line supervisors and the work force. Finally, the middle manager serves as a communicator between line supervision and top management.

These differences in point of view affect both the contract administration process and the manager-supervisor relationship and, directly or indirectly, create conditions which can cause misunderstandings. Sometimes top managers fail to get a complete factual picture of the situation on the line. Not knowing what the facts are, they may fail to give the lower level supervisor needed support, correct guidance or proper interpretation of what the contract was intended to mean in situations of this sort. This, in turn, can lead to either lax administration or improper application of the terms of the contract by lower level supervisors (knowing that they have erred in carrying out the terms of the contract can lead, in turn, to selective filtering by the line of their upward communications to top management). As a result, communications between the various levels of management can completely break down.

Other possible barriers to manager-supervisor understanding includes differences in interpretation and application of contract provisions; or permitting the union steward to bypass one or more echelons of supervision in his day-to-day dealings under the contract. While the reason for manager-supervisor misunderstandings are often different, the practical

results are the same--an adverse impact of mission accomplishment.

What, then, can be done to avoid misunderstandings within the management team which can result in poor contract administration? The answer, of course, is that there must be effective communications up and down the management line--so that supervisors know how top management expects them to administer the contract and otherwise carry out the labor-management relationship. (This same principle also applies to reducing inter-departmental differences--exchanging information across departmental lines.) Lower level supervisors must be encouraged to seek advice, counsel and support when they are unaure of their understanding of the contract as it applies to a particular situation. In like manner, they should feel free to suggest changes when they feel that certain provisions are impractical or otherwise contribute to disputes. Most of all, it is essential that the first-line supervisor not be led to believe that he or she is isolated as the individual in the middle between the demands of top management and those of the union and the employee.

13. Employee Services

It is established Navy policy that a program of employee services, based upon local needs and contributing to the efficient performance of official duties, be set up at each activity. The purpose of such a program is (1) to keep employees informed of management policies and rules; (2) to limit the occasions where work processes must be interrupted so that

employees may tend to personal affairs; and (3) to promote sound and cooperative relationships between employees and management officials.

Information services include indoctrination handbooks and materials--which have sustaining reference value--bulletin boards, public address systems and station newspapers.

In the category of financial services, the most commonly used are employee relief and welfare funds, credit unions, banking facilities, income tax assistance, and location for payment of utility bills.

Among the special services generally provided are: housing and transportation assistance; blood banks, counseling; notarial acts at no charge, and outlets for the purchase of protective apparel or equipment not ordinarily furnished by the Government. The solicitation for contributions for patriotic, civic charitable causes is generally classed as an employee service. Nearly all employees are eligible and elect to participate in Federal Employees Group Life Insurance and Health Benefits Programs.

The Navy makes available to its employees the facilities and assistance necessary to provide in-plant food service by means of cafeteria, lunch counters, snack bars, or vending machines. At field activities, the development and execution of plans for operation of the service become the functions of a good service board, subject to approval by the head of the activity. Such a board normally consists of from five to seven employees appointed by the head of the activity. The

latter may, however, arrange to have some or all the members designated by an elective process or nominated by employee groups. Food services may be operated directly by the board through employment of a manager or by commercial enterprise as concessions. The primary objective is to make nourishing food available to the greatest possible number of employees at the lowest possible price consistent with conservative financial management.

The Navy recognizes the need for individual employees and groups of employees to participate in welfare and recreational activities and encourages the formation of associations to conduct such activities. Civilian food service, welfare and recreational activities are authorized non-appropriated fund activities, deemed by the Navy to be an integral part of the Department. As such, they are instrumentalities of the Government and are entitled to all the immunities and privileges pertaining thereto.

B. MILITARY PERSONNEL (CECOS, 1979)

1. Seabees: Personnel

a. Background

Ever since World War II, creating CONUS shore billets for Seabee personnel has presented problems. Without such billets in satisfactory numbers, Seabees would spend their entire careers rotating among battalions. Many Public Works Departments (PWD) have been given an allowance of Occupational Field XIII personnel in order to provide shore billets for Seabees. All too often, however, the work assigned to Seabees

within the Public Works Department was generally a watch-standing duty that was not related to their rating. This, in effect, penalized the career Seabee. This was the price the Seabees had to pay in order to spend a tour of duty with their families. They were required to perform work outside their rating which did not increase their proficiency, tended to reduce their military readiness and their morale. In actuality, shore duty was just a place to store these people until they rotated back to the battalions.

b. Construction Battalion Units (CBU)

For the aforementioned reasons, the concept of the CBU was approved and the first CBU was established in late 1969.

A CBU is an independent unit reporting to the activity Commanding Officer and not to the Public Works Officer. A unit is usually commanded by a CEC LTJG or WO as the Officer-in-Charge. The unit has an allowance for all Occupation Field XIII ratings plus an allowance for a Storekeeper and Yeoman. In time of emergency, the CBU can be mobilized and become part of the fleet. The CBU provides the opportunity for personnel to be employed in work related to their rating and makes for a very rewarding shore duty. The capabilities of a CBU can be utilized by any Naval activity within the area by providing building materials or funding for material for the CBU. Each CBU will have operating guidelines usually established by the activity Commanding Officer to whom it reports.

c. Seabees in the Public Works Department

Seabees assigned to the PWD can provide many valuable services. A senior petty officer can provide much

experience and leadership within the PWD, but the PWO should not assume that the newly arrived Seabee understands the entire operation of a PWD. The PWO should take the time to explain the entire organization and how it functions so that he can derive the maximum benefit from the individual during his tour.

The PWO should be conscious of where and how the Seabees' talents are utilized and how his organization and the particular individual can best be served. Some examples of where the Seabees have been used in the PWO organization are:

-A separate Seabee Division reporting to the Shops Engineer or APWO, that can be employed on Self-Help and other projects;

-Integrated with the Shops' forces as a member of the work crews. This may be difficult to achieve because of the difference in the skill level of the Civil Service craftsman and the Seabee, the difference in the basic work rules (e.g., military inspections and other duties versus a strict accountability of time for Civil Service employees), and the feeling of some individuals that the Seabees are "taking work away" from civilian employees;

-A separate branch of the transportation division for all Seabees assigned. This is not recommended for those who are not equipment operators because of the low job satisfaction and the low skill training opportunities; and

-A separate Emergency Service branch provides some additional job satisfaction, but it has the disadvantage of not having the continuity necessary to locate the problems and solve them.

2. Other Military Personnel

Depending on which activity a CEC officer is assigned, he may find that as the PWO he will have personnel of fleet ratings or Marine Corps assigned to him. The basic principles aforementioned in the discussion of Seabees, applies to these people also.

APPENDIX A

Guideline Schedule of Disciplinary Offenses and Penalties
for Civilian Employees in the Naval Establishment

(Greater penalties may be assessed depending upon circumstances)

INSTRUCTIONS FOR USE OF SCHEDULE

1. This list is not intended to cover every possible type of offense. Penalties for offenses not listed will be prescribed by the head of the activity consistent with the guidelines contained herein.

2. Many of the items listed on this schedule combine several offenses in one statement, connected by the work "OR." Usage of the word "OR" in a charge makes it nonspecific. Use only the items which describe the employee's actual conduct and leave out parts which do not apply.

3. Penalties for disciplinary offenses will, in general, range from the minimum penalty to the maximum indicated. In unusual circumstances, depending on the gravity of the offense, the past record, and the position of the employee, a penalty outside the general range may be imposed.

4. Suspension penalties on this schedule apply to work days and holidays.

5. Although the schedule shows 10 days as a normal maximum suspension penalty, a suspension of greater length may be imposed where the penalty of removal is also provided for that offense.

6. Depending on the gravity of the offenses, removal proceedings may be instituted against an employee for any number of offenses committed in any 24-month period.

7. For information concerning other offenses for which employees may be disciplined by removal, fine or imprisonment, see FPM Chapter 735.

OFFENSES AND RANGES OF PENALTIES

OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
ATTENDANCE			
EXCESSIVE UNAUTHORIZED ABSENCE (MORE THAN 5 CONSECUTIVE WORK DAYS)	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
FALSIFYING ATTENDANCE RECORD FOR ONESELF OR ANOTHER EMPLOYEE	Reprimand to 5-day suspension	5-day suspension to removal	10-day suspension to removal

OFFENSES AND RANGES OF PENALTIES (Continued)

OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
ATTENDANCE			
LEAVING JOB TO WHICH ASSIGNED OR NAVY PREMISES AT ANY TIME DURING WORKING HOURS WITHOUT PROPER PERMISSION	Reprimand to 5-day suspension	5 to 10-day to removal	10-day suspension to removal
UNEXCUSED OR UNAUTHORIZED ABSENCE ON ONE OR MORE SCHEDULED DAYS OF WORK OR ASSIGNED OVERTIME	Reprimand to 2-day suspension	1 to 5-day suspension	5-day suspension to removal
UNEXCUSED TARDINESS	Reprimand	Reprimand to 1-day suspension	Reprimand to 2-day suspension
CONDUCT			
ACTUAL OR ATTEMPTED THEFT OF GOVERNMENT PROPERTY OR THE PROPERTY OF OTHERS	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
CRIMINAL, DISHONEST INFAMOUS OR NOTORIOUSLY DISGRACEFUL CONDUCT ADVERSELY AFFECTING THE EMPLOYEE/EMPLOYER RELATIONSHIP (ON DUTY OR OFF DUTY)	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
DISOBEDIENCE TO CONSTITUTED AUTHORITIES, OR DELIBERATE REFUSAL TO CARRY OUT ANY PROPER ORDER FROM ANY SUPERVISOR HAVING RESPONSIBILITY FOR THE WORK OF THE EMPLOYEE: INSUBORDINATION	Reprimand to 5-day suspension	5-day suspension to removal	10-day suspension to removal

OFFENSES AND RANGE OF PENALTIES (Continued)

OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
CONDUCT			
DISORDERLY CONDUCT: FIGHTING: THREATENING OR ATTEMPTING TO INFLICT BODILY INJURY TO ANOTHER: ENGAGING IN DANGEROUS HORSEPLAY: OR RESISTING CONPETENT AUTHORITY	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
DISRESPECTFUL CONDUCT: USE OF INSULTING, ABUSIVE, OR OBSCENE LANGUAGE TO OR ABOUT OTHER PERSONNEL	Reprimand to 5-day suspension	5-day suspension to removal	10-day suspension to removal
FAILURE TO CARRY OR SHOW PROPER IDENTIFICATION ON NAVY PREMISES AS REQUIRED BY COMPETENT AUTHORITY	Reprimand to 1-day suspension	1 to 2-day suspension	2 to 5-day suspension
FAILURE TO HONOR JUST DEBTS OR LEGAL OBLIGATIONS WITHOUT GOOD CAUSE	Reprimand	Reprimand	Reprimand to removal
FALSIFICATION, MISSTATEMENT, OR CONCEALMENT OF MATERIAL FACT IN CONNECTION WITH ANY OFFICIAL RECORD	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
FALSE TESTIMONY OR REFUSAL TO TESTIFY IN AN INQUIRY, INVESTIGATION OR OTHER OFFICIAL PROCEEDING	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
FILING FALSE CLAIMS AGAINST THE GOVERNMENT OR KNOWINGLY AIDING AND ASSISTING IN THE PROSECUTION OF SUCH CLAIMS (SEE 18 USC 287,1001)	Reprimand to removal	5-day suspension to removal	10-day suspension to removal

OFFENSES AND RANGES OF PENALTIES (Continued)

OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
CONDUCT			
KNOWINGLY MAKING FALSE OR MALICIOUS STATEMENTS WITH THE INTENT TO HARM OR DESTROY THE REPUTATION, AUTHORITY, OR OFFICIAL STANDING OF INDIVIDUALS OR ORGANIZATIONS	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
GAMBLING OR UNLAWFUL BETTING DURING WORKING HOURS	Reprimand to 2-day suspension	Reprimand to 5-day suspension	Reprimand to removal
PROMOTION OF GAMBLING ON NAVY PREMISES	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
WILFUL DAMAGE TO GOVERNMENT PROPERTY OR THE PROPERTY OF OTHERS	Reprimand to 5-day suspension	5-day suspension to removal	10-day suspension to removal
DISCRIMINATION			
DISCRIMINATION AGAINST AN EMPLOYEE OR APPLICANT BECAUSE OF RACE, COLOR, RELIGION, SEX, NATIONAL ORIGIN, OR AGE OR ANY REPRISAL ACTION AGAINST EMPLOYEE	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
INTOXICANTS			
REPORTING FOR DUTY OR BEING ON DUTY UNDER THE INFLUENCE OF INTOXICANTS, UNAUTHORIZED POSSESSION OF OR ATTEMPTING TO BRING INTOXICANTS ON NAVY PREMISES	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
REPORTING FOR DUTY WHILE UNDER THE INFLUENCE OF A NARCOTIC OR DANGEROUS DRUG, OR USE OF SAME ON GOVERNMENT PROPERTY OR ON DUTY	Reprimand to removal	5-day suspension to removal	10-day suspension to removal

OFFENSES AND RANGES OF PENALTIES (Continued)

OFFENSES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
INTOXICANTS			
UNAUTHORIZED SELLING OF INTOXICANTS ON NAVY PREMISES	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
UNAUTHORIZED SALE OR TRANSFER OF NARCOTIC OR DANGEROUS DRUG ON GOVERNMENT PROPERTY OR DURING DUTY HOURS	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
PERFORMANCE			
CARELESS WORKMANSHIP RESULTING IN SPOILAGE OR WASTE OF MATERIALS OR DELAY IN PRODUCTION	Reprimand to 5-day suspension	5 to 10-day suspension	10-day suspension to removal
COVERING UP OR ATTEMPTING TO CONCEAL DEFECTIVE WORK: REMOVING OR DESTROYING SAME WITHOUT PERMISSION	Reprimand to 2-day suspension	1 to 5-day suspension	5-day suspension to removal
FAILURE OR DELAY IN CARRYING OUT ORDERS, WORK ASSIGNMENTS, OR INSTRUCTIONS OF SUPERIORS	Reprimand to 2-day suspension	1 to 5-day suspension	5-day suspension to removal
LOAFING, WASTING TIME, OR INATTENTION TO DUTY	Reprimand to 2-day suspension	1 to 5-day suspension	5-day suspension to removal
SLEEPING ON DUTY	Reprimand to 5-day suspension	5-day suspension to removal	10-day suspension to removal
a. WHERE LIFE OR PROPERTY IS ENDANGERED	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
UNAUTHORIZED USE OR POSSESSION OF, LOSS OF OR DAMAGE TO GOVERNMENT PROPERTY OR THE PROPERTY OF OTHERS	Reprimand to 2-day suspension	5-day suspension to removal	10-day suspension to removal

OFFENSES AND RANGES OF PENALTIES (Continued)

OFFENSE	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
SAFETY			
FAILURE TO OBSERVE PRECAUTIONS FOR PERSONAL SAFETY POSTED RULES, SIGNS, WRITTEN OR ORAL SAFETY INSTRUCTIONS, OR TO USE PROTECTIVE CLOTHING OR EQUIPMENT	Reprimand to 2-day suspension	1 to 5-day suspension	10-day suspension to removal
VIOLATION OF SAFETY REGULATIONS WHICH ENDANGERS LIFE OR PROPERTY	Reprimand to 5-day suspension	2-day suspension to removal	10-day suspension to removal
ENDANGERING THE SAFETY OF OR CAUSING INJURY TO PERSONNEL THROUGH CARELESSNESS	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
FAILURE TO OBSERVE NO SMOKING REGULATIONS OF CARRYING MATCHES IN RESTRICTED AREAS	Reprimand to removal	5-day suspension to removal	10-day suspension to removal
VIOLATING TRAFFIC REGULATIONS, RECKLESS DRIVING ON NAVY PREMISES, OR IMPROPER OPERATION OF MOTOR VEHICLE	Reprimand to 2-day suspension	Reprimand to 5-day suspension	5-to 10-day suspension
SECURITY			
FAILURE TO SAFEGUARD CLASSIFIED MATTER OR OTHER SECURITY VIOLATIONS	Reprimand to 5-day suspension	5-day suspension to removal	10-day suspension to removal
a. WHEN CLASSIFIED MATERIAL HAS BEEN COMPROMISED	Reprimand to removal	5-day suspension to removal	10-day suspension to removal

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CHAPTER VIII

CONTRACTING

A. PROCUREMENT LAWS AND REGULATIONS----------602

1. History of Government Contract Law----------602

2. Armed Services Procurement Act of 1947----------606

3. Defense Acquisition Regulation----------607

B. RELATIONSHIP WITH NAVAL SUPPLY SYSTEM COMMAND---------607

1. General----------607

2. NAVSUP Procurement----------608

3. NAVFAC Procurement----------608

4. Definitions----------609

a. Built-In Equipment----------609

b. Installed Equipment----------609

c. Technical Equipment----------610

d. Minor Equipment----------610

C. CONTRACT AUTHORITY----------610

1. OICC----------610

2. ROICC----------611

D. LABOR LAWS APPLICABLE TO NAVFAC CONTRACTS----------612

1. Background----------612

2. The Copeland Act----------613

3. The Contract Work Hours Act and Safety Standards----------613

4. The Davis-Bacon Act----------614

5. The Equal Employment Opportunity Program----------615

6. The Fair Labor Standards Act----------616

7. The Walsh-Healey Act----------616
8. The Services Contracts Act----------617
E. TYPES OF CONTRACTS----------617
1. Facilities Maintenance Contracts----------617
a. Maintenance Construction Contracts----------618
b. Maintenance Service Contracts----------618
c. Open-End Contracts----------619
2. Architect-Engineering Contracts----------619
3. Engineering Services Contracts----------621
4. Demolition Contracts----------622
5. Equipment Overhaul and Repairs Contracts----------622
6. Utility Service Contracts----------622
7. Informal Contracts----------623
8. Base Operating Support Services Contracts----------623
F. CONTRACT RESPONSIBILITY----------629
1. PWO as ROICC----------629
2. Contract Criteria----------630
3. Contracting----------632
a. Planning Phase----------632
b. Awarding Phase----------632
c. Controlling Phase----------643
4. PWO Relationship with the ROICC and Contractor at Turnover----------645
BIBLIOGRAPHY----------654

VIII. CONTRACTING

A. PROCUREMENT LAWS AND REGULATIONS

1. History of Government Contract Law (CECOS, 1974)

The development of Government contract law in the United States can be traced back to the United States Constitution. Article I, Section 8, includes in part, that Congress shall have the power:

-To lay and collect taxes, duties, imposts and excises to pay debts and provide for the common defense and general welfare of the United States:

-To raise and support armies;

-To maintain a navy; and

-To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or office thereof.

The power to contract is not found in the Constitution, but the Supreme Court has held that it is an inherent power of sovereignty. Implicit in the conduct of the national defense is the authority to contract.

In order to understand properly the laws and regulations now in effect in government contracting, it is essential to review certain of the more important laws governing procurement which have been passed by Congress throughout the years. As early as the Act of July 16, 1798, Congress declared that contracts for supplies or services for military and naval services would be made by or under the direction of the Chief

Officers of the Departments of War and Navy. Then, as now, the ethics of public officials were not above reproach. The result was the Act of April 21, 1808, stating that a member of Congress may not benefit from government contracts secured for friends or firms with which they were associated.

The Landmark Act of 3 March 1809, established the general requirement and set the precedent that formal advertising be used in the procurement of government supplies and services. This requirement for formal advertising has continued throughout the years, and is still a primary consideration of the present procurement laws. Subsequent Acts passed in 1842 and 1843 modified the process of formal advertising by requiring public bid openings sealed proposals and a type of performance bonding.

The procurements of the Civil War were regulated by the Civil Sundry Appropriations Act of 2 March 1861, basically with the same outlook and design toward formal advertising as before. There were three exceptions to the formal advertising requirement:

-Where advertising was impractical;

-Where there was a public exigency; and

-Where the contract was for personal service.

However, these exceptions led to profiteering and graft, both during and after the Civil War. Subsequent revision and amendment to the Civil Sundry Appropriations Act in 1874 and in 1878 resulted in a new law, Revised Statute 3709, an attempt to rectify the inherent problems built in to the previous laws. In

1910, Revised Statute 3709 was revised again to include certain exceptions allowing procurement by negotiation in particular instances where formal advertising was inappropriate. The exceptions allowing negotiation included the procurement of horses and mules, items less than $500, procurement of medical supplies, classified items, and others of similar nature. Revised Statute 3709 remained as the standard regulation governing defense contracts until replaced by the Armed Services Procurement Act of 1947.

During World War I, Revised Statute 3709 proved ineffective, in that formal advertising was an unwieldy method to procure in a timely manner the many specialized military items necessary to fight the war. As a result, it was decided shortly after the outset of the war to change, temporarily, the basic method of procurements, with the exception of standard quartermaster items. To accomplish this, a cost-plus-percentage-of-cost type of contract was chosen, resulting in considerable abuse.

Post World War I government procurements continued to be regulated by a large unwieldy body of laws, many of which were archaic, and in certain instances conflicted with one another. As World War II approached, Congress foresaw the confusion that had in the past accompanied procurement action in times of crisis. The result was the passing of the Public Works Act in 1939. This law authorized the Secretary of the Navy to negotiate for the construction of public works projects destined to be located outside the continental limits of

the United States, and to have such work performed on a cost-plus-a-fixed-fee basis. In order to insure that there were sufficient safeguards under these new relaxed rules, it was necessary to obtain Presidential approval for any contract made under the Public Works Act. Negotiations had to be conducted with three or more contractors, each of whom was regularly engaged in contruction work of the type and magnitude contemplated. It also required that a Naval officer be permitted to participate in meetings of the Board of Directors of the contractor for the purpose of safeguarding the interests of the United States. A separate provision of Public Works Act authorized the employment of civilian architectural and engineering firms for the preparation of plans and specifications for any public works project, or for the construction of any naval vessel or aircraft. These services were to be obtained on a negotiated basis.

Shortly after the attack on Pearl Harbor of December 7, 1941, Congress hastily passed the First War Powers Act, which was signed by the President on 18 December 1941. This law was signed within ten days of its introduction to Congress, and it permitted the President to authorize any department or agency of the government to proceed without regard to any provision of the existing laws relating to procurement.

In conjunction with the passing of the First War Powers Act, the President issued Executive Order 9001, authorizing the War and Navy Departments to exercise the full powers and freedom which were contemplated by Congress in the First War

Powers Act. Executive Order 9001 included certain limitations, such as the prohibition against racial discrimination, making advance payments, except when they would promote the national interests, and the retention of existing ceilings on profits and fees. The First War Powers Act, and the subsequent legislation passed during World War II, was only of a temporary nature. At the end of the war, the temporary measures expired and procurement reverted back to the Revised Statute 3709.

The lessons learned in World War II clearly indicated that Revised Statute 3709 was inadequate and archaic for armed services procurement. As a result, the Armed Services Procurement Act of 1947, Public Law 413 of the 80th Congress was passed unifying Army, Navy and Air Force procurement authority under one statute. Primarily from the experience gained in World War II, it included the provision for exceptions allowing negotiation, rather than formal advertising, for procurements in which it was deemed necessary.

2. Armed Services Procurement Act of 1947, as amended (ASPA), 10 USC 2301-2314

The Armed Services Procurement Act, signed by the President on 16 February 1948, as amended, provides the basis for all DOD, Coast Guard and NASA procurements for which payment is to be made from appropriated funds. Some of the important provisions of this Act are as follows:

- It requires the placing of a fair proportion of purchases and contracts with small business concerns;
- The use of formal advertising is required for all cases in which the use of such a method is feasible and practical;

-Negotiated purchases are authorized where the circumstances require or justify departure from formal advertising. These circumstances are enumerated in 17 allowable exceptions to the requirement for formal advertising.

-Specifications and invitations for bids must permit free and full competition. Bids are to be opened publicly and the award made with reasonable promptness by giving written notice to the responsible bidder whose bid conforms to the invitation and will be the most advantageous to the United States, price and other factors considered.

-Other Provisions cover such areas as the types of contracts, advance payments, assignment and delegation of procurement functions and responsibilities, and remission of liquidated damages.

This legislation is the principal statute which authorizes the issuance of the Armed Services Procurement Regulation.

3. Defense Acquisition Regulation (DAR)

In 1978, the Armed Services Procurement Regulation (ASPR) was retitled the Defense Acquisition Regulation and several minor modifications were made. The DAR is issued by the Assistant Secretary of Defense (Installation and Logistics) and it applies to all purchases and contracts made by the Department of Defense within or outside the United States for the procurement of supplies or services which obligate appropriated funds.

B. RELATIONSHIP WITH NAVAL SUPPLY SYSTEMS COMMAND

1. General

NAVFAC authority and responsibilities for the procurement of equipment, materials, services are set forth in NAVFAC P-68. Procurement of standard commercial materials, equipment and services is, in general, the responsibility of the Naval Supply Systems Command (NAVSUP). The following division of

responsibilities shall serve as a guide to the acceptance of purchasing requirements generated by sponsors. This division of responsibility is intended to apply only to materials, equipment and services that occasionally may be procured by either NAVFAC or NAVSUP.

2. NAVSUP Procurement

a. Technical equipment and minor equipment, as defined below, when the equipment is not an integral part of a building or facility being constructed.

b. Technical or minor equipment that replaces existing equipment, provided that the replacement does not involve major construction modifications.

c. Maintenance of nonpublic works-type technical or minor equipment.

d. Engineering studies that are related to the design and development of technical nonpublic works-type or minor equipment.

e. Maid service contracts.

3. NAVFAC Procurement

a. Built-in equipment and installed equipment, as defined below, when it constitutes an integral part of the completed facility.

b. Maintenance work that is (1) normally performed by the Public Works Department (such as regular, routine recurring maintenance and upkeep work), when the Civil Service work force is unable to handle the workload; or (2) specialized and occasional maintenance work, such as the inspection and repair of boilers.

c. Engineering studies that are primarily directed towards procurement of public works-type equipment.

d. Rental of motor vehicles.

4. Definitions

a. Built-in Equipment

This is equipment engineered and built into a building structure, or facility as an integral part of the final design and is an essential part thereof. Equipment in this category is considered part of the building or facility and is taken up under Property Class 2. Examples are plumbing, heating, air-conditioning, and lighting equipment; elevators; refrigerated spaces; fixed cranes and hoists; cafeteria counters; built-in shelves and cabinets; built-in sterilizers; wind tunnels; and model basins.

b. Installed Equipment

This is personal property of a capital nature, generally classified as Property Class 2, but which is permanent; installed in or on a building or structure; is readily available to a contruction contractor on the open market; and is normally installed by him during the course of construction. This type of equipment is in general use throughout the Shore Establishment and includes, but is not limited to, such items as heavy duty laundry, dry cleaning, galley and bakery equipment; standard types of installed medical, dental repair and research equipment; electric water coolers connected to water and drainage systems; heavy-duty air compressors; electrical switchgear and transformers; and standard-type building cranes.

c. Technical Equipment

This is equipment which, although it may be built-in, installed or portable, is not readily available from usual commercial sources or for general issue or usage within the Navy. It is specialized equipment, under the cognizance and procurement control of one of the technical commands or offices, that is intended for use at a specialized activity or with a specialized facility within an activity. As a rule, such equipment requires technical and engineering work in each instance to develop the purchase specifications. Technical equipment includes, but is not limited to, such items as special medical/dental equipment, special furnaces and research equipment, and antenna in which the supporting structure is closely related with the electronic elements.

d. Minor Equipment

This includes all material, special tooling, loose, portable or temporarily attached equipment that, while necessary for operation of the constructed facility, does not of itself, influence the design of the facility or its constuction.

C. CONTRACT AUTHORITY

1. OICC

The Secretary of the Navy has designated Commander, NAVFAC, as the "Contracting Officer" for all NAVFAC contracts. The Commander, NAVFAC has delegated certain contract authority to certain subordinate officers within NAVFAC and its field

organizations. Each of these officers is known as an OICC for construction and as an Officer in Charge (OIC) for those contracts not involving construction. All persons when exercising NAVFAC contractual authority, do so "For the Commander, Naval Facilities Engineering Command, Contracting Officer."

Commanders/CO's of the six EFDs are designated as OICCs and have authority to award most NAVFAC contracts without prior approval of NAVFAC Headquarters. Contractual authority is further delegated to certain Civil Engineer Corps (CEC) Officers located at established Naval activities as well as other geographical areas in which NAVFAC has DOD contract responsibility. This is accomplished by the Commanders/COs of EFDs appointing CEC Officers to act as both OICC and OIC for certain contracts within their geographical area of responsibility. When an officer has been delegated this authority, that officer has the full authority and responsibility to administer contracts within stipulated limits. When acting in a contractual capacity, the OICC derives contract authority, not from the activity Commanding Officer, but from the "Contracting Officer." The responsibilities of the OICC are extensive and include everything from the preparation of drawings and specifications to the preparation of final payment, and release of the contractor.

2. ROICC

The ROICC is designated by and responsible to the OICC for administrating construction contracts. The ROICC's responsibilities include the supervision of the administration and inspection of construction contracts to insure compliance with

plans and specifications; and the maintenance of records and submission of reports.

D. LABOR LAWS APPLICABLE TO NAVFAC CONTRACTS

1. Background

The OICC is the primary enforcement official for three Federal Labor Standards Statutes:

-The Copeland Act;

-The Contract Work Hours Act--Safety Standards Act; and

-The Davis-Bacon Act.

By Executive Order and by provisions of these statutes, the Secretary of Labor is required to perform certain administrative functions, and to prescribe regulations establishing uniform applicability and enforcement throughout the Federal Departments and agencies. Regulations concerning enforcement of these Acts constitute Part 3 and Part 5, Regulations of the Secretary of Labor, Title 29, Subtitle A, Code of Federal Regulations. This section will develop the applicability, requirements and penalties prescribed by the laws. The clauses of the contract which express the contractor's responsibility are embodied in the Labor Standards Provisions (NAVFAC 4330/41) which is part of all Federal contracts for construction over $2,000.

These laws apply to all subcontractors employed on-site in the same manner and to the same extent as to the prime contractor. Contractors and subcontractors are required to preserve pay records for three years, and to have them available during that time for the OICC and the Labor Department.

2. The Copeland Act

This law requires the contractor to submit weekly payroll statements to the OICC. It also establishes permissible and prohibited deductions (kick-backs) from earned wages of employees. The Act applies to all Federal construction contracts over $2,000. Penalties for violation are a fine of not more than $5,000, imprisonment of not more than five years, or both, and removal from the approved contractor listing by GAO.

3. The Contract Work Hours Act and Safety Standards

Applicable to all Federal construction contracts of $2,000 or more. The law provides that no laborer, mechanic (journeyman), watchman or guard shall be required to work more than eight hours in one workday, or more than 40 hours in one workweek, without payment at one and one-half times the basic hourly rate for all hours worked in excess of eight per day, or of 40 hours per week. The law empowers the OICC to withhold from contract earnings, sums necessary to satisfy liability for wage underpayments, and authorizes the Comptroller General to pay such withheld moneys to underpaid employees. In addition, the OICC may withhold a sum necessary to satisfy liability for liquidated damages from contract earnings computed at the rate of $10 for each instance of an individual employee who worked in excess of eight hours/day or 40 hours/week without premium pay of one and one-half times his regular rate. The overtime computation excludes fringe benefits, which accrue only to straight time hours.

4. The Davis-Bacon Act

This is applicable to Government contracts for construction, alteration, and repair in the amount of $2,000 or more. It applied to all classes of construction laborers and mechanics. The law requires that:

- The Secretary of Labor determines the wages and fringe benefits prevailing in the area of a proposed Federal construction project.
- That the predetermined wage (plus fringes) for all construction labor classifications required for accomplishment of the work will be incorporated in the specification.
- All laborers and mechanics be paid unconditionally at least once each week, at a rate of no less than those indicated in the specification for each labor classification.
- The wage rates incorporated in the specification be posted in a place easily accessible to the work force.
- Apprentices employed by the contractor must be registered apprentices in a bona fide apprenticeship program.
- Withholding of funds from moneys earned under the contract to pay employees.

Violations of the Davis-Bacon Act are punishable by:

- Terminating a contractor's right to proceed with the work, if he is in violation of the Act.
- Withdrawal of eligibility to receive a government contract for a period of three years.

Although the language of the Act, regarding applicability, limits coverage to operations "on the site of the building or work", the Secretary of Labor has held that certain operations performed off-site but exclusively for the project, are covered by the Act. Therefore, the "site of work" may include storage yards, prefabrication or assembly areas, quarries or borrow pits, and batch plants, if these operations exclusively serve the project construction and are near the site.

5. The Equal Employment Opportunity Program

Executive Orders of the President, E.O. 11246 being the most recent of these, prohibit discriminatory practices of contractors to the Federal government, on all contracts and subcontracts over $10,000. By entering into a Federal contract, the contractor agrees to:

- Furnish EEO posters to unions having jurisdiction over members of the work force;
- Permit access to employment records by the contracting agency and the Department of Labor;
- Abstain from discriminatory practices with regard to hiring, separation, training, promotion, recruitment, and payment of wages to members of the project work force; and
- Require that the same provisions apply to his subcontractors.

Before the award of a Federal contract in excess of $1,000,000, a pre-award EEO clearance must be obtained from the Defense Contract Administration Service (DCAS).

Navy policy now requires a contractor to designate an official responsible for EEO within the contractor's organization and meet and certify that he is fulfilling quotas set by geographic location issued by the EFDs. These quotas set forth the number and qualifications of the people the contractor has working on the project. For example, the population of Port Hueneme is 65% Mexican-American, then the quotas would require the contractor's workforce to be 21% Mexican-American. This 21% quota would also have to meet qualifications that require a certain number to be laborers, apprentices, journeymen,

craftsmen and if the contractor is unionized that all 21% must belong to unions.

Penalties for violation of the contract provisions relating to Equal Employment Opportunity provide the contract may be terminated and the contractor may be declared ineligible to receive future government contracts.

6. The Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) requires payment of a minimum wage; prohibits oppressive child labor; requires that no less than time-and-one-half pay for hours worked in excess of 40 per week; and requires that the employer maintain pay records as stipulated by the Secretary of Labor. Possible penalties include:

-Assessment of double the amount of underpaid wages;

-$10,000 fine; or

-Six months imprisonment, if convicted more than once.

The Act is enforced by the Department of Labor; except that on CPFF construction contracts, the OICC will be responsible for enforcement. Construction workers' wages, however, rarely fall as low as the FLSA minimum.

7. The Walsh-Healey Act

Applies to contracts for the furnishing of materials and the manufacturing of equipment or supplies over $10,000. If the contracting officer determines that the Act applies to a particular construction contract, the OICC will furnish the contractor with a form letter, prepared by the Department of

Labor, which amplifies the contract clause. Enforcement of the Act is by the Department of Labor.

8. The Service Contracts Act

This law was written for labor employed by contractors rendering services of various kinds (janitorial, grounds maintenance, etc.) to Federal activities. The Act requires (for contracts greater than $2,500):

- The contractor pay employees no less than the wages determined to be prevailing by the Secretary of Labor (for contracts under $2,500 the FLSA minimum wage applies);
- The contractor to provide fringe benefits determined to be prevailing by the Secretary of Labor;
- That employees not be required to work under unsanitary or hazardous conditions;
- The contractor to post Secretary of Labor determination of wages and fringe benefits in a location easily accessible to all employees.

The Act provides for withholding earned moneys from the contractor in the amount of wage underpayment; and the contractor may lose the right to proceed with the contract, if he is in violation of the Act. If the contract is terminated, the contractor may be held liable for excess costs to the government of accomplishing the work described in the contract. Enforcement of the Act is by the Department of Labor.

E. TYPES OF CONTRACTS

1. Facilities Maintenance Contracts

Facilities maintenance contracts are contracts financed out of O&M,N or NIF funds. Purpose of the contract is to accomplish the repair or maintenance of real property facilities,

vehicles or equipment in an existing condition, or to restore them to initial or usable condition by overcoming the effects of wear and tear, disaster, damage or deterioration, or to perform periodically required services to preserve facilities in a usable or operable condition.

Facilities maintenance contracts may be classified as maintenance construction contracts or as maintenance service contracts, depending on the type of work to be accomplished. Any contract having as its purpose the acquisition of supplies for use by the Government in accomplishing facilities maintenance, whether by in-house force or by separate contract, and not involving on-site work by the contractor, would not be a facilities maintenance contract.

a. Maintenance Construction Contracts

These contracts have as their primary purpose construction which is defined by the Davis-Bacon Act as "construction, alteration, and/or repair, including painting and decorating, of public buildings or public works." All maintenance construction contracts must include a Davis-Bacon wage rate determination and must be supported by bid, performance, and payment bonds.

b. Maintenance Service Contracts

All facilities maintenance contracts not involving construction are classified maintenance service contracts. These contracts include janitorial services, automotive and equipment repair contracts, maintenance of existing heating-ventilation-air conditioning (HVAC) systems, minor repairs on

an as-needed basis not involving continuous work. See Figure VIII-1 for list of functions compatible for contracting. For example, painting houses or apartments is construction, but spot painting nicks is service; repairing small areas of a damaged fence is service, but replacing a section would be repair by replacement. All maintenance service contracts must include a Service Contract Act wage determination. Contractors may be required to provide bid guarantees and performance and payment bonds.

c. Open-End Contracts

Open-end contracts may be used for either maintenance service contracts or maintenance construction contracts, but both service and construction cannot be included in the same contract. Unless covering only one type of work, open-end contracts must be supported by a Schedule of Prices. For example, the Government may award an open-end contract for painting. The contractor bids a fixed unit price (dollar/SF) for doing the painting without the Government specifying the total amount required. It gives the Government the right to call for work when needed. The Government has to give the contractor a base amount as a guaranteed minimum amount on which to prepare a bid.

2. Architect-Engineering Contracts (A-E)

A-E contracts are used primarily to procure the drawings and specifications for contemplated construction projects. They may also be used to provide for:

PUBLIC WORKS FUNCTIONS COMPATIBLE FOR CONTRACTING

HVAC

HVAC CONTROL SYSTEMS

CUSTODIAL

GROUNDS

ELEVATORS

BOILERS

GLASS CLEANING

PEST CONTROL

FENDER PILE MAINTENANCE

GARBAGE/TRASH COLLECTION/ DISPOSAL

INTRUSION ALARMS

WATER WELLS

STREET LIGHTING

GSA PARTITION ASSEMBLY

CLEAN CATCH BASINS

DIVERS SERVICE

EQUIPMENT OVERHAUL/REPAIR

MOTOR VEHICLE RENTAL

EQUIPMENT RENTAL

MAINTENANCE OF RR/CRANE TRACKAGE

ELECTRICAL SWITCHGEAR/TRANSFORMERS

AIRFIELD PAVEMENT

AIRFIELD LIGHTING SYSTEMS

HOSPITAL COMMUNICATIONS SYSTEM

ROADS & SHOULDERS

SECURITY GUARDS

HOUSING MAINTENANCE

BICYCLE REPAIR

UTILITY DISTRIBUTION SYSTEMS

RELAMPING

FIRE ALARM SYSTEMS

ETC.

Figure VIII - 1

-Consultation during construction;

-Checking of contractor's shop drawings, material samples or equipment performance data;

-Preparation of record drawings; or

-Inspection of construction.

A-E contracts are always negotiated, the use of competitive bidding or comparative pricing is not permitted. If the negotiation may result in a contract in excess of $10,000 then it must be published in the Commerce Business Daily. The price of an A-E contract for the preparation of design plans, drawings, and specifications may not exceed 6% of the estimated construction cost.

3. Engineering Services Contracts (E-S)

Contracts for both E-S and A-E are similar in format and content, so that in many areas of practice it is difficult to draw a distinguishing line between them. There is a definate trend among the larger professional firms to offer both architectural and engineering services within the same organization, and therefore, both services can be incorporated into a single contract.

In some cases it may be desirable to contract for engineering services separately. The services to be furnished by the engineer depend on the size and complexity of the work, the Government's technical staff, and the basis of fee determination. These services may include:

-Specialized engineering studies;

-Surveys or reports;

-Testing; and/or

-Technical investigation.

Unlike the A-E contract, however, the E-S contract has no Congressionally imposed fee limitation.

4. Demolition Contracts

When demolition, salvage or removal of structures or materials is required, a demolition contract is used. It provides for a lump sum payment to be made either by the Government (for the services), or by the contractor (for retention of materials and titled thereto), depending upon the salvage value in relation to the cost of demolition. Demolition contracts are formally advertised.

5. Equipment Overhaul and Repair Contracts

The repair, overhaul, maintenance, and alteration of Government-owned motor vehicles, construction equipment, weight- and materials-handling equipment and appurtenances can be procured on master repair contracts. The master repair contract is negotiated with a contractor, and then put into force by issuance of a purchase order identifying the specific item or items to be repaired. Normally, master contracts are negotiated, but if it is anticipated that any single purchase order will exceed $2,500, the master contract will be formally advertised.

6. Utility Service Contracts

Utilities service contracts are used to procure services such as steam, natural gas, electricity, water, wire communications, compressed air, and disposal of sewage, trash, and garbage. Although many Government facilities possess the

capability of providing such services, it is DOD's policy to procure commercial services whenever it is economically feasible.

Utility service contracts may be either formally advertised or negotiated. Formal advertising is the preferred method of procurement, but negotiation may be used when public utilities service is available from only one source.

7. Informal Contracts

Informal contracts are a simplified method of contracting that may be used for the following procurements:

- Supplies and services not to exceed $2,500;
- Construction, alteration and repair not to exceed $2,000;
- Maintenance (not involving construction) not to exceed $2,500; or
- Foreign procurements of all types not to exceed $10,000.

All procurements involving sums of $500 or less will be negotiated informal contracts awarded on DD Form 1155. Procurements for construction in excess of $500 but less than $2,000 may be negotiated (Form DD 1155 is used) or formally advertised SF 19 is used) at the OICC's discretion (See Figure VIII-2). Procurement of supplies or services between $500 and $2,500 normally will be negotiated and awarded on DD Form 1155. Only one contractor need be contacted for actions of $500 or less, provided that purchases are rotated between available sources. At least two priced quotations are to be obtained for action between $500 and $2,500 ($10,000 overseas).

SMALL PURCHASES

CONSTRUCTION

Amount	Competition & Price Reasonableness	Contract Document	Documentation
<$500	ONE QUOTE Compare to government estimate or previous quotes (DAR 3-604.1)	DD 1155 DD 1155r Specification (P-68; C-8) (DAR 16-400)	DD 1784
$500 to $2,000	NEGOTIATED* Contact Three Suppliers Minimum Two Priced Quotes (P-68 5-502) (DAR 3-604.2)	DD 1155 DD 1155r Specification (P-68; C-8) (DAR 16-400) or same as for Advertised	DD 1784
	ADVERTISED*	If advertised, SF 19 + 19B (DAR 16-402) (P-68 5-502)	
$2,000 to $10,000	ADVERTISED (DAR 3-604.2(a)) OICC may limit mailing to five bidders if necessary (P-68 2-103)	See P-68; C-4	

*Written quotes when (DAR 3-604.2):
1) suppliers outside local area
2) special specifications involved
3) large number of line items
4) oral quotes not economical or practical

Figure VIII - 2a

SMALL PURCHASES

MAINTENANCE SERVICE

Amount	Competition & Price Reasonableness	Contract Document	Documentation
<$500	ONE QUOTE (compare to government estimate or previous quotes) (DAR 3-604.1)	DD 1155 DD 1155r	DD 1784
>$500 <$2,500	THREE SUPPLIERS MINIMUM TWO QUOTES (P-68 502) (DAR 3-604.2)	DD 1155 DD 1155r Specification (P-68; C-8)	DD 1784
>$2,500	ADVERTISED*	DD 1155 DD 1155r Advertised General Provisions (P-68; C-8)	
	NEGOTIATIED*	DD 1155 DD 1155r Additional General Provisions (P-68; C-8)	DD 1784

*Written quotes when (DAR 3-604.2):
1) suppliers outside local area
2) special specifications involved
3) large number of line items
4) oral quotes not economical or practical

Figure VIII - 2b

SMALL PURCHASES

ARCHITECT ENGINEER/ENGINEERING SERVICES

Amount	Procedures	Contract Document	Documentation
<$2,500	Preselection by an individual Selection & Negotiation by board (DAR 18-402.2) (P-68, 5-301.1)	SF 252 General Provisions SF 19B Scope of Work (P-68; C-5)	All actions done in writing and approved by OICC
$2,500 to $10,000	Preselection, Selection and Negotiation by Board (DAR 18-402.2) Oral or written interveiws not required unless fee expected to exceed $10,000 (P-68, 5-303.5)	SF 252 General Provisions SF 19B Scope of Work (P-68; C-5)	All actions done in writing and approved by OICC

Figure VIII - 2c

8. Base Operating Support Services Contract (BOSS) (Iselin, 1979)

a. Background

With the environment of continual reductions in station forces and the immigration of work to contracts because of OMB Circular A-76, NAVFAC was tasked to develop the concept of base operating support services contracts (BOSS) for Subase Bangor, Washington. NAVFAC performed a planning study to determine base support requirements, organization and staffing. The study indicated that savings could be expected from a single contractor for support services rather than awarding numerous smaller contracts. On 1 October 1977 the first BOSS contract was awarded at Bangor, Washington, and a second BOSS contract was awarded in 1979 for Kings Bay, Georgia.

b. Elements

A BOSS contract is comprised of three major work elements. The first element is called "Watch Standing". The contract specifies that for each specific work station listed, the contractor will provide certain caliber person and the specified work station must be manned at a required number of hours per week. For example, it might be 168 a week if the station is in a power plant, guard house or fire station or 60 hours per week if the station was in the dining hall.

Once the specifications for work stations are defined, the contractor can organize each station as he desires, run whatever hours per individual he wants (within applicable laws), use overtime and move people around as he desires. In other words, the contractor has total management flexibility to perform.

The second element is "Performance". The contract contains performance specifications; for example, the contract tells the contractor that he must maintain a specific list of automotive equipment to a specific standard, such as the P-300. In return, the contractor must make it known in advance what kind of people he will utilize and how he will organize and manage them to accomplish the task.

If the contractor finds that he needs more people to do the job, so be it; no change order is involved. If the job can be done with fewer prople and meet the performance specifications, the contractor will come out ahead.

The third element is more difficult to define. In the instances where a good performance specification cannot be written or the total quantity is difficult to determine, the contract requires that the contractor supply a fixed number of people to perform the functions. This element is called "Specific Level of Effort". Here the Navy is buying people, not results.

The contract also requires the contractor to provide, in his original proposal, a price for increasing or decreasing personnel from the specific level in each skill area. If changes are required during the year, the Navy executes an automatic change order increasing or decreasing the target price by the number of man-years times the rate specified in the contract.

The BOSS contract is a Fixed Price Incentive Firm Target Contract (FPIF). In it the Navy takes proposals, reviews

contractor staffing plans, and selects a contractor based on a sound management plan at the lowest negotiated target price. The contract shifts to a cost basis once it is awarded. The Navy compares actual costs to the target costs. If all work is completed satisfactorily, and it costs precisely what was set as the target cost (say $20 million), then the contractor is paid $20 million, plus an agreed upon fee (say $900,000).

If, on the other hand, it costs more than the agreed target cost, the Navy will pay 85% of every dollar over and the contractor will pay the other 15%. This means that the Navy will reduce the contractor's fee by 15¢ for each dollar that he is over the target cost until a 120% of the target is reached. At that point, the contractor pays everything over 120% and the Navy stops paying.

If the contractor should perform all services for less than $20 million, then the contractor will receive 20¢ of every dollar saved while the Navy takes the other 80¢. This feature promotes good, hard, cost effective management of Navy dollars.

This contracting concept bears watching as it develops and as the Navy gains experience in its administration, since it can be expected that more of these contracts will be awarded in the future.

F. CONTRACT RESPONSIBILITY

1. PWO as ROICC

Very often the PWO will have additional duty orders to the local Engineering Field Division (EFD) as Officer-in-Charge of Construction (OICC) for larger contracts.

The PWO, designated as OICC/ROICC has full authority and responsibility to administer contracts within the limitations stipulated by the EFD. For contracts that exceed the limitations of the PWO, the PWO must request the appropriate EFD to perform the administrative function.

In the administrating of contracts, the PWO/OICC will principally utilize the technical and administrative capabilities of the PWD staff. Requirements that are beyond the capabilities of the PWD staff are furnished by the EFD.

2. Contract Criteria

Being in the position of PWO/ROICC, the PWO very often will have to make a determination whether to do work in-house or by contract. In making this decision, the PWO will have to consider the following items:

a. Resources Available

(1) Personnel. Are there people in the PWD available to do the work, is there a pending RIF that will effect the number of people available in the future.

(2) Skill Level/Capability. Does the PWD possess all the skills or capabilities to complete every phase of the work.

(3) Equipment. Does the activity possess the necessary equipment or will the activity have to rent/lease equipment to complete the work.

(4) Material. Is it readily available in the local area or through the Supply system, do some materials require a long lead time.

(5) Funds. Does the activity or customer have the funds available, what type of funds are to be used.

b. Time to Complete the Work

Is it a long project that will tie up the PWD's resources; when is the facility required; will overtime be required to complete the project on the requested date.

c. Funding Pressures

Is the work needed to maintain sufficient in-house work to meet payroll requirements; is the end of the fiscal year coming and a need to obligate the funds exist.

d. Type of Work

Is the work of a continuing nature, one-time large job, specialized, easily defined, easily inspected.

e. Capital Investments Required

Is it reasonable for a contractor to invest for a short term contract; are government funds available to obtain the investments.

f. Costs

Comparison of in-house costs versus the cost by contract.

g. Amount of Control Over the Work

Is the work essential to the activity's primary mission; what is the command's priority or interest in the work.

Whichever method is chosen to do the work, the PWO will be directly involved. If the decision is by in-house, then the PWO and the PWD staff will become directly involved, if by contract, the PWO switches to the ROICC hat and then becomes involved in the planning, awarding and controlling of a contract.

3. Contracting

a. Planning Phase

In the planning phase the PWO/ROICC must develop or have developed plans and specifications for the project. The plans and specifications can be developed by in-house staff, EFD, or through an A-E contract.

Regardless of the method used to develop the plans and specifications, the PWO/ROICC should review the design work at the 30% completed stage. This is to ensure that the designer is proceeding in the direction as originally intended. It is a method to ensure there was no miscommunication at the onset of design. It also allows the PWO/ROICC to make changes before the design has progressed too far.

When completed, then the PWO/ROICC must review the drawings and specifications for any errors, omissions or conflicts. An essential part of the review is a site visit to verify existing conditions and to identify potential problems. Identify problems now and getting the plans and specifications corrected will eliminate the need for later change orders. A secondary benefit is that the PWO/ROICC becomes thoroughly familiar with the project. Once the planning phase is completed then a decision on how to award the contract is made.

b. Awarding Phase

Depending on the type of contract the PWO/ROICC must decide to award either by negotiation or competitive bidding. If negotiation is the manner decided upon, the PWO/ROICC may want to request the EFD to negotiate the contract if the PWD does not possess the professional capabilities.

If competitive bidding is the method selected, then the PWO/ROICC must follow the procedures as outlined in the Defense Acquistion Regulation. First the PWO/ROICC must prepare an Invitation for Bids (IFB). IFB is the means by which projects are introduced to the public. The IFB should contain the following information:

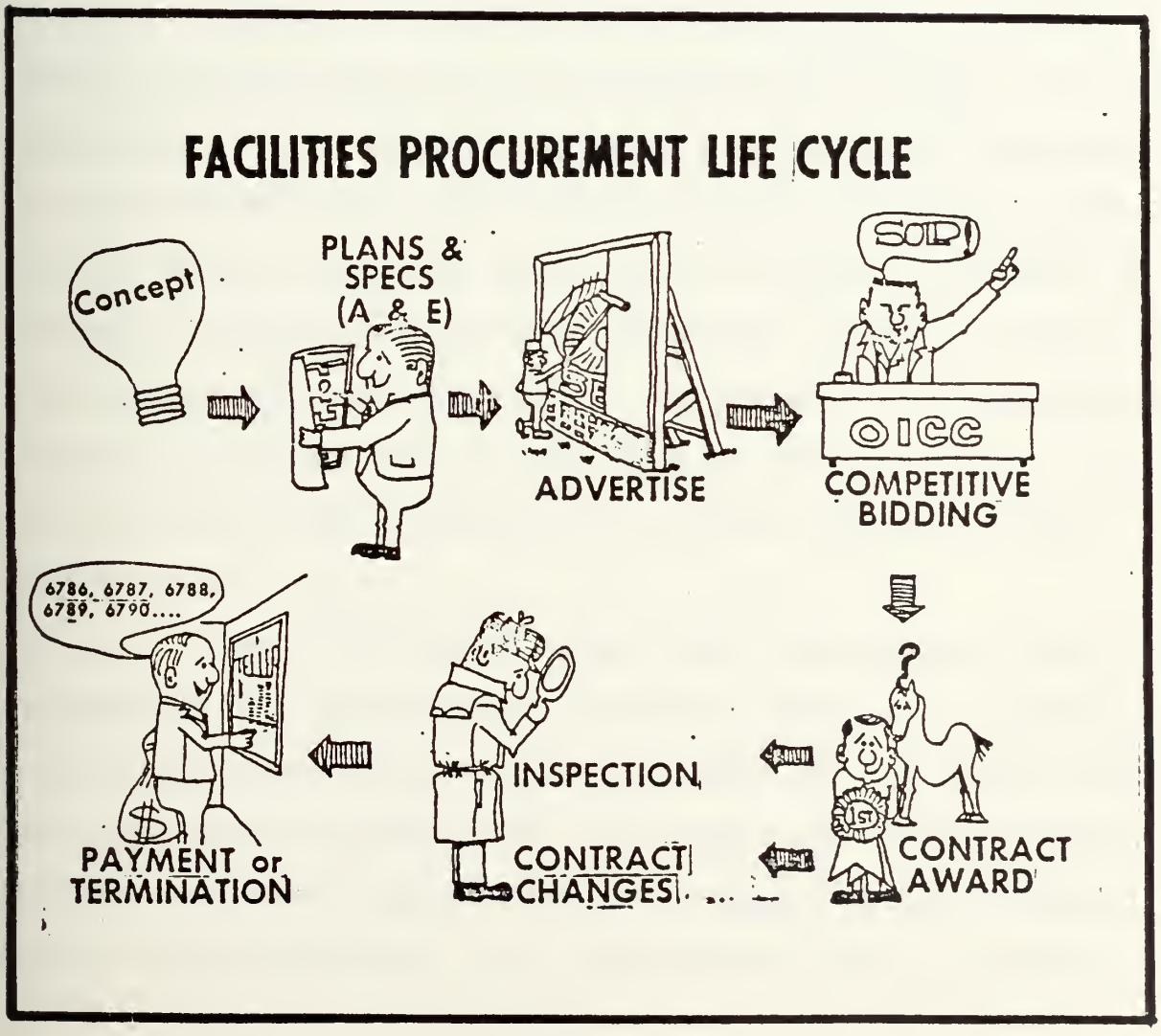
-Date, hour, place of bid opening;

-Description of work;

-Procedure for submitting bids;

-General and specific contract provisions; and

-Estimated cost of the project.



Normally, the IFB is advertised in the Commerce Business Daily for at least 30 days prior to bid opening, but for small projects or when nearing the end of a fiscal year a shorter bidding time may be utilized.

Secondly, the PWO/ROICC must prepare a bid package which provides the bidder with all the necessary information. Typically, the bid package contains the following documents:

- -IFB;
- -Plans and specifications;
- -Instructions to bidders;
- -Labor standards provisions for contracts in excess of $2,000;
- -Forms required for submission of bids.

Despite all the effort that goes into a bid package, questions inevitably arise. From the onset, it is extremely important for the PWO/ROICC to specifically designate personnel authorized to answer questions concerning the bidding procedure or technical sections of the specifications. Names of authorized personnel may be included in the bid package. This is done to ensure all bidders are on equal footing and to preclude any lawsuits by a bidder declaring he did not receive all the information.

Next the bidders prepare and submit their bids in accordance with instructions in the bid package. The PWO/ROICC has the responsibility to maintain the bids in a secure manner as prescribed in NAVFAC P-68. Any time prior to bid opening, bidders have the right to withdraw, change, amend, or substitute a bid or bid item. All modifications must be written,

since oral modifications are not accepted. Except in the case of mistakes in the bid, alleged and conclusively proven, no bidder is permitted to withdraw his bid once the bids are opened.

At the bid opening, a designated government official will personnally open all unclassified bids at the time and place stated on the IFB. Another official will record the bid prices in the "Abstracts of Bids", while at the same time reading aloud the bid. The original of each bid will be safeguarded by the opening official until the abstract is completed and verified.

After bid opening, personnel of the contracts office shall carefully review all bids, bonds, and any data submitted with bids in order to assure that bids have been properly executed, that bonds are in proper amount and within the surety agent's authority. Bids shall also be reviewed for any possible errors such as the submission of a cumulative bid under the additive or deductive bid provisions. In addition, bids and data submitted with them shall be thoroughly reviewed, in order to assure that the bidder has not taken any exception or qualification to the terms of the IFB. In conducting this review, primary attention should be given to the apparent low bid. However, care must be taken to assure that initial identification of the apparent low bid is not erroneous and the actual low bid overlooked. In those instances where any irregularity is discovered, the matter shall be fully documented in the files to permit later explanations of the PWO/ROICC's decision and action.

If the low bid appears to be out of line by comparison with the rest of the bids, the range of the bidding shall be called to the attention of the low bidder, and the low bidder shall be formally requested in writing, prior to award, to check his bid to determine whether an error has occurred and to verify the correctness of his bid in writing. If the low bid is substantially below the Government estimate, and the other bids received also indicate a possible error, the same procedure shall be followed. Any possible errors or misinterpretation of specifications that the PWO/ROICC has reason to suspect should be brought to the attention of the bidder in the request for verification. If the bidder confirms his bid in writing, but the bid is nevertheless substantially out of line with the other bids, the Government estimate, or both, then the bidder must be called in and the PWO/ROICC or his representative must go over the bid with the bidder in detail to assure that the bidder comprehends the intended scope of the work and has included in his bid reasonable amounts for the accomplishment of such work. The Comptroller General has ruled on many occasions that, when a bid is substantially out of line, the failure of the bid opening officer to examine with the bidder the details of his pricing will preclude the Government from enforcing the contract at the price bid, and will entitle the contractor to additional remuneration. If the bidder reports an error, the procedures of the paragraph below apply. If, in the opinion of the PWO/ROICC, an award should not be made because of the differences in bidding, even though the bidder has checked his

bid and disclaims any error, the PWO/ROICC shall forward the bids, with his recommendations, to NAVFAC for evaluation.

When the low bidder is advised that he has made an error in his bid and he requests remedial action, the Commander, his deputy, the Head of Acquisition or the Director of Contracts is authorized to permit the withdrawal of a bid when he finds that an error was actually made and that the government was notified thereof prior to the issuance of the Notice of Award. To permit withdrawal, obtain from the bidder a detailed written statement indicating the nature and cause of the error claimed, a request for withdrawal, and the original worksheets indicating the error. Such low bidder shall be required to include a declaration that, if permitted to withdraw without penalty, and the work is awarded to another bidder, he (the withdrawing bidder) will not participate in the work through subcontract or otherwise. (A statement by the bidder that he will not participate in the work if it is awarded to another bidder shall not prevent him from bidding on the same project if the current bids are all rejected and the project readvertised.) Finding of error shall be made and together with all papers pertaining to the claim of error shall be retained in PWO/ROICC files.

If the low bidder claims error but requests that his bid be corrected, the PWO/ROICC shall obtain the worksheets and all other pertinent data within five days and forward complete documentation to NAVFAC. Comments and recommendations by the PWO/ROICC regarding resolution of the bid error should also be included.

NAVFAC has no authority to permit withdrawal of bids and only limited authority to take remedial action when the contractor's claim of error is made after the Notice of Award is issued. Such authority is vested in the Comptroller General. The Contractor should not be advised as to any recommendation that NAVFAC may make to the Comptroller General.

Normally clerical errors can be corrected by the PWO/ROICC. Examples of such clerical errors are misplacing the decimal points or submitting bids on a cumulative basis rather than an independent basis under the additive or deductive provisions. When an apparent clerical error is discovered, the matter shall be referred to NAVFAC for advise or guidance. If it is determined that the bid can be accepted, correction will be effected by attaching the verification to the original. Correction will not be made on the face of the bid, however, it shall be in the formal contract.

When more than one bid opening is scheduled for the same day or bid openings are held on successive days, bidders occasionally qualify one bid dependent upon the result of a second bid. For example, a bidder may submit a bid for one contract with the statement "reduce the price for this bid by $50,000 if my bid is accepted under IFB #1234." GAO has held that such reductions in price cannot be considered unless all bidders are notified of the possibility of conditioning the results of a bid for one contract upon the results of a bid for another contract. If a PWO/ROICC considers that solicitation of paired bids may be desirable, or when paired bids are received, advice and guidance must be obtained from NAVFAC.

Any bid which fails to conform with essential requirements of the IFB is not conforming. Typical examples of nonconformance are the failure to submit bid security or the failure to submit data concerning statutory cost information. Bids which include data or language that attempts to qualify the terms or conditions of the specifications or offer other terms may also be nonconforming. Typical examples of a qualified bid are where the bidder bases his bid on a contract completion date longer than that indicated in the specifications, or where a bidder submits a standard catalog cut for a piece of equipment and technical data included varies with that set forth in the specifications. PWO/ROICCs are authorized to make determinations of nonconformance because of the failure to submit required bid security. All other matters concerning nonconforming or qualifying bids shall be referred to NAVFAC for advice and guidance.

When a bid does not indicate the receipt of an amendment, the bid must be disregarded unless it is established that the particular amendment did not affect the price, quantity, quality, or delivery of the work or the performance of the contractor. GAO has taken an increasing restrictive attitude concerning acceptance of bids where the bidder fails to acknowledge an amendment. All cases of unacknowledged amendments shall be referred to NAVFAC.

If a bidder fails to furnish bid security in accordance with the requirements of the Invitation, the bid shall be considered nonresponsive and it shall be rejected unless

failure of the bid bond to arrive on time was due solely to a delay in the mails for which the bidder was not responsible. Determination as to the acceptability of bonds received in the mail after the bid opening but prior to award shall be made under the procedures established for the handling of Late Bids. If the bid security furnished by the low bidder is in an amount less than that required in the IFBs, such insufficiency may be waived provided there is only one bid received, or the amount of bid security furnished by the low bidder is equal to or greater than the difference between the amount of the next acceptable bid and the amount of the low bid. In cases where the insufficient bid security may be waived, as above provided, and the apparent low bid is otherwise responsive and conforming, (and the low bidder is responsible) the PWO/ROICC should then make award to the low bidder. The PWO/ROICC should include a memorandum explaining his action in the contract file. Prior to the rejection of any bid because of apparent noncompliance of the bid guarantee with bid requirements, approval of NAVFAC (Code 021) is required.

Any informality or irregularity in a low bid should be referred to NAVFAC for advice and guidance.

The proper handling of protests before the award of a contract is of the utmost importance to both the prospective contractor and the Government. Improper handling of a protest received prior to award may result in the loss of the contract to a bidder, or it may result in the loss of an entire project for the Government. NAVFAC shall be contacted for advice and

guidance with regard to all protests received prior to award, and award must be withheld pending a ruling on the protest by NAVFAC, the GAO, or SBA as appropriate, or a NAVFAC determination under DAR 2-407.8(b) (2) or 1-703(b) (3) (iv).

One of the most common forms of protest, prior to award, is the challenge of the small business size status of the low bidder. The PWO/ROICC shall refer these protests to the Small Business Administration for resolution, and its decisions are binding. Instructions concerning the referral of such protests and protests concerning the service or product classification are included in the applicable DAR section.

Many protests are based on a challenge of the low bidder's conformance with the provisions of the IFB. These may be on technical grounds or general grounds. In every instance, such protests must be carefully evaluated in order to assure that the Government does not arbitrarily dismiss a valid point. Normally, these protests concern issues such as clerical mistakes, tie bids, discounts, paired bids, nonconforming bids, failure to acknowledge an amendment and failure to submit a bid bond.

Occasionally protests challenge the responsibility of the low bidder. Any facts presented by the protestor should be considered in making an initial determination of responsibility. See NAVFAC P-68, Section 4-407 for detailed procedures.

A protest addressed to the GAO may be filed directly with the GAO or with the PWO/ROICC. The effect of either is the same. This kind of protest is troublesome, since a

considerable period of time will elapse while GAO gathers information, hears arguments from all concerned parties, and renders a decision. During this period award must be withheld. There are provisions which permit NAVFAC to authorize awards in emergency circumstances, however, but these are rarely exercised.

When a protest is received, other than a protest as to whether a low bidder under a small business set aside is a small business (which must be referred to SBA in accordance with EFD procedures), the PWO/ROICC shall prepare and promptly forward to NAVFAC a report containing the following (in duplicate if a GAO protest is involved):

- The complete IFB, including all documents listed in NAVFAC P-68, Appendix C, Page C-3, but excluding only any patently non-relevant drawings;
- All Amendments to the IFB, with attention being called to any relevant content;
- A complete copy of each bid, and all bonds, letters and documents submitted therewith (originals should not be mailed unless essential; checks or securities accompanying bids should never be included);
- The Abstract of Bids;
- Copies of any correspondence from each of the bidders;
- Any and all memos of phone conversations with bidders;
- A brief statement of all that occurred.

Upon receipt of a protest, the PWO/ROICC shall immediately give notice of the protest to all bidders or proposers who may be affected by the protest. The PWO/ROICC shall also furnish a copy of the protest documents to each of the affected parties and advise them that they may submit their comments:

-directly to the GAO with a copy to NAVFAC if a GAO protest is involved; or

-to the Contracting Officer or to the PWO/ROICC if the protest is to either of these individuals.

Unless all bids are rejected, contract award is made to the low, responsive, responsible bidder. If a proposed award requires prior approval by higher authority, the award will not be made until approval has been obtained.

As soon as the contract has been awarded, a Notice of Award is sent to the successful bidder. The Notice of Award states the exact completion date of the contract. Normally, the completion date is determined by adding an additional fifteen days to the time for completion set forth in the specifications to compensate for delays in the mail. The Notice of Award restates the requirements for immediate furnishing of payment and performance bonds, after which permission to proceed with the work is granted.

c. Controlling Phase

An important step in administering the contract is for the PWO/ROICC to schedule a preconstruction conference. The primary purpose of the conference is:

-To acquaint the contractor with numerous details of administration required in the conduct of a contract; and

-To coordinate the contractor's construction plans with the using activity and other interested parties.

A preconstruction conference should ensure an understanding by the contractor of the following items:

(1) Legal.

Introduce the Security Officer and Fire Chief, if appropriate.

(b) Explain Federal laws where an action can be a felony on Government property and a misdemeanor off Government property.

(c) Environmental, labor and other applicable laws.

(2) Administration.

(a) Who to submit reports to.

(b) Introduce the inspectors.

(c) Introduce the ROICC.

(3) Technical.

(a) Review specs concerning materials.

(b) Review specs concerning quality of workmanship.

(4) Production Plans.

(a) Review the contractor production plans.

(b) Review the timetable for submittal of shop and as-builts drawings.

(5) Review any special or peculiar provisions the contract may have.

(6) Quality Assurance. Explain schedule, methods, and types of inspections to be performed.

(7) Testing. Identify the schedule, standards and types of tests (i.e., strength of concrete, operation of mechanical systems).

(8) Financial. Explain the schedule for payments, on what the payments will be based (i.e., percentage of completion) and the policy on partial payments.

(9) Discuss any controversial or ambiguous points within the contract and record any agreement made on those points.

As an understanding on each item is reached by the contractor, the PWO/ROICC should have the contractor sign a statement acknowledging that each item was fully explained to him during the conference. There should be a statement letter for each individual item. This procedure can save the PWO/ROICC some frustration in the future if a disagreement should arise between the contractor and the PWO/ROICC during the course of the contract.

The PWO/ROICC should administer the contract by fulfilling all requirements as stated in the contract, perform inspections, complete and submit all required reports, maintain proper project records, handle any change orders and in the end prepare for final turnover and acceptance of the project. During the project the PWO/ROICC should communicate and, with sound judgment, possibly assist the contractor if it means keeping the contractor from defaulting on the contract. If a contractor has to default it will cost the Government more time and dollars to get another contractor to come in and complete the work. The delay in the work and requirements for extra dollars only causes frustrations and problems for the PWO/ROICC

4. PWO Relationship with the ROICC and the Contractor at Turnover

The atmosphere at the turnover of a project can become very tense, because the prevalent attitudes and perspectives

on the two sides of the issue are fundamentally different. On one side the contractor (or Seabee Battalion) is interested in finishing the job and getting out. The battalion may be soon bound for homeport or deployment. The contractor wants his bonding capacity back. The ROICC is under pressure to "close those contracts out" because other contracts have just been awarded.

On the other side, the PWO feels that the PWD has not enough personnel or dollars to take care of existing problems and may see the new facility as a potential ramshackle just waiting to devour more resources.

Additionally, the problems of turnover are time consuming and difficult: Startup of complicated mechanical and electrical systems; "as-built" drawing accuracy; "punch-list" items of trivial dollar value, but enormous public relations value; and control of warranties to provide responsiveness to the customer.

The stakes in the turnover game are high. Fleet customers may tend to judge NAVFAC and the CEC less by the lower number of claims generated than by a sticking window in their building or by a small pile of sawdust left in a newly completed facility. The sight of two CEC officers arguing a technical point at the final inspection can hardly give a feeling of confidence in either to the customer.

It can reasonably be argued that by placing responsibility and authority for construction in one hand and operation and maintenance in another, that there is something fundamentally

wrong. This division of responsibility is partially overcome where one CEC officer is "doublehatted" as both PWO and ROICC, but this is usually the exception.

A checklist is offered which can be tailored to different size facilities. This checklist will not prevent all problems, but will assist in providing customers clearly completed, smoothly operating, reliably maintainable facilities.

CHECKLIST

Approximate Percentage of Project Completion	Action
0	ROICC verify with PWO and customer all utility tie-ins, government furnished material and equipment delivery, and expected arrival date of collateral equipment. See also NAVFACINST 11013.38A for customer verification of need.
5 thru 95	ROICC actually sight "as built" drawings to insure they are being accurately prepared. It is not possible to wait until the job is over to start these. PWO must have these to do a professional job of operating and maintaining.
50	PWO checks with ROICC to see if required copies of parts and operating manuals for facility equipment are "on track".
65	PWO coordinates collateral equipment delivery and storage. Might ask the ROICC to obtain use of new facility for storage.

Approximate Percentage of Project Completion	Action
70	PWO and his maintenance control director walk through facility to "firm up" training requirements for maintenance personnel; to pre-order common consumable repair parts, and to write a maintenance plan or specification for PWD/maintenance service contract personnel.

It is worth mentioning that some OICCs are now looking at the start up phase of projects very early. A professional attitude is evident in training, maintenance, safety plans done for some hospital projects and the Environmental Health Effects Lab at Bethesda. This approach should be expanded.

Employ some strategy at this point. To ensure that the final inspection is all acceptance, not a quibble session. ROICC should conduct a prefinal inspection. Possible participants: ROICC; construction representative; Contractor; User Rep.; PWO or rep. Generate a punchlist from:

1. Past construction representative reports or contractor's quality control reports.
2. NAVFAC P-455, V. 1-4.
3. Visual inspections--watch especially for:

a. Finish items--sure to be noticed by customer or user. Open every door and window, flick every switch, and turn every valve.

Approximate Percentage of Project Completion	Action
	b. Grading and cleanup has a big impact on the user.
	c. Systems marking--circuit panels, valve tags, etc.
	Perhaps a Change Order is necessary to satisfy a real functional need of the user, but, for good reason, a contractor may really fight small dollar, time consuming change orders. PWO and ROICC should talk this one out.
	ROICC & contractor establish target date for punchlist completion. Send copy to the contractor's bonding company.
96	PWO ensure his maintenance or operating staff are present as observers to learn during testing and balancing of air conditioning, testing of fire alarm, sprinklers, hoists, grounding of electrical system, intercom, etc. These tests usually call for a high skill level and perhaps an independent report. If local Navy skill is lacking, call EFD for technical expertise.
97	The Owner may move in before final acceptance. PWO brief user that damage caused by "tenant" during move-in will not be repaired by the builder. Use strong doses of diplomacy.

Approximate Percentage of Project Completion	Action

Watch for incorrect use of vocabulary in this time frame:

Usable Completion: A project is usably complete when it has been turned over to the using activity for operation. Many items of work may still remain to be corrected, and even additional contracts may have to be awarded (for example, a fine-grading and seeding contract). However, if the activity has started operating the project, it is considered usably complete. (NAVFAC P-328)

Acceptance: The act of an authorized representative of the Government by which the Government assents to ownership by it of existing and identified supplies, or approves specific services rendered, as partial or complete performance of the contract. Acceptance may occur prior to, at the time of, or after delivery, but not prior to inspection.

Substantial Completion (DODINST 5000.8). A concept from the law similar to substantial performance. A building may have minor defects or uncompleted aspects, but, if it is substantially ready for use, it cannot be said that the contractor has failed to perform. The contractor is protected from charge of default by substantial completion.

Checklist, cont.

Approximate Percentage of Project Completion	Action
98	Final Inspection. ROICC gives advance notice to participants: CO; User; PWO; ROICC; Const. Rep.; Supt.; Contractor. Warn CO & User of any major items which will be incomplete or delayed (seeding, etc) so no one takes a stand foolishly. Don't allow any technical arguments to break out. NAVFAC P-58, 6-501.1 says ask CO for written acceptance.
99	ROICC Turnover these items by Letter, creating a permanent record: 1. Keys, well labeled, to User/PWO. 2. Equipment to PWO. 3. Operating Manuals to PWO. 4. Parts (labeled to PWO. Some important documents: 5. As-Builts--one to EFD one to PWO 6. A-E design criteria to PWO (for his modification to the facility next week) 7. Shop drawings, etc., to PWO, these are a real aid in maintaining (For goodwill give any old extra floor plans to the tenant to use in laying out his office furniture.).
100	ROICC ask PWO for input on DD Form 1596, Construction Contractor's Performance and DD Form 1413, A-E

Approximate Percentage of Project Completion	Action
	Evaluation, PWO ensure EFD/ROICC chain generates DD Form 1354, Transfer and Acceptance of Military Real Property.
	ROICC consider an award to either A-E or contractor. If these firms deserve an award, the Navy wins in the long run by giving credit where it is due. Contractor magazines enjoy giving publicity to good builder-owner rapport.
	The ROICC may win a future friend by giving PWO or User a copy of a typical script and guest list from a previously successful ribbon-cutting ceremony. This is a good way to ensure that ROICC's Inspector or staff get a top o'the hat, too.
100+	ROICC ask Contractor to designate local warranty agents for each of the important utility functions. To solve part of the warranty dilemma, ROICC and PWO may set up a "short circuit" of the warranty chain to be used for bona fide emergencies only. Say: User--PWD Maintenance Control--Utility sub-contractor for the warranty agent, instead of the usual User--PWD--Maintenance Control--PWO--ROICC--ROICC staff--Prime--Sub.
	PWO may consider a separate maintenance service contract for certain items with the appropriate

Approximate Percentage of Project Completion	Action
	subcontractor during that warranty period. This tends to eliminate disputes over responsibility for correction of later problems.
	ROICC should give PWD maintenance control director copies or lists of any separate warranties such as doors, motors, roofing, etc., so PW can recognize a possible warranty use to refer to the ROICC.

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CHAPTER IX

HOUSING ADMINISTRATION

A. FAMILY HOUSING----------658
1. General Policy----------658
2. Organization, Functions & Staffing----------659
a. Organization----------659
(1) Navy Department Level----------659
(2) Field Level----------665
b. Functions----------668
c. Staffing----------668
3. Requirements, Programming & Planning----------669
a. Housing Requirements----------669
b. Programming and Planning----------679
c. Military In-Leasing Program----------682
d. Cost Limitations----------683
e. Mobile Home Parks----------684
f. Planning for Community Facilities----------684
4. Financial Management----------686
a. Budgeting----------686
b. Funding----------690
c. Cost Reporting & Analysis----------691
5. Assignment, Occupancy & Utilization----------693
a. Assignment----------693
b. Occupancy Conditions & Procedures----------695
c. Retention & Termination----------697
d. Utilization----------698

6. Operating Services----------704
a. Scope of Operating Services----------704
b. Fire Protection----------705
c. Police Protection----------706
d. Street Cleaning----------707
e. Refuse Collection & Disposal----------707
f. Public Transportation----------708
g. Pest Control----------708
7. Furnishings & Equipment----------709
a. Furnishings----------709
b. Equipment----------710
c. Flag & C.O. Quarters----------710
d. Procurement Planning----------711
8. Maintenance & Repair----------712
a. Policy----------712
b. Maintenance Planning & Management----------712
c. Occupant Maintenance----------715
d. Contract Maintenance----------716
e. Liability for Damage or Loss----------716
f. Reports & Records----------720
9. Repair & Improvement Projects----------722
a. Policy----------722
b. Criteria----------722
c. Special Projects----------722
d. Repair Projects----------723
e. Improvement Projects----------725
f. Project Development & Submission----------726

10. Self Help Program----------727
B. OTHER HOUSING----------727
1. Temporary Lodging----------727
2. Transient Housing----------729
3. Bachelor Housing----------729
a. Background----------729
b. Requirements, Planning & Programming----------730
BIBLIOGRAPHY----------731
SUGGESTED REFERENCES----------731

IX. HOUSING ADMINISTRATION

A. FAMILY HOUSING

1. General Policy, (CECOS, 1979)

It is the policy of the Navy to provide adequate housing for eligible personnel by all reasonable means, private or public, that are available. Private rental units in the community will be used to the greatest extent possible and will be the primary source of family housing for Navy personnel. Projects to provide Navy-owned or controlled family housing will be considered in areas where dependents are permitted and a shortage of adequate private and government housing exists or impends; in isolated areas; in other locations where adequate private community support housing is not or cannot be made available; and in areas where adequate private housing is available, but certain personnel must reside on station for proper administration and security.

Although houses which have been purchased by free choice of the military occupant will be considered in the determining of military need, vacant "for sale" housing will not generally be considered in making this determination. Since military personnel are transferred every two to three years, they should not be subject to the financial risk and expense of having to purchase a home in order to provide shelter for their families.

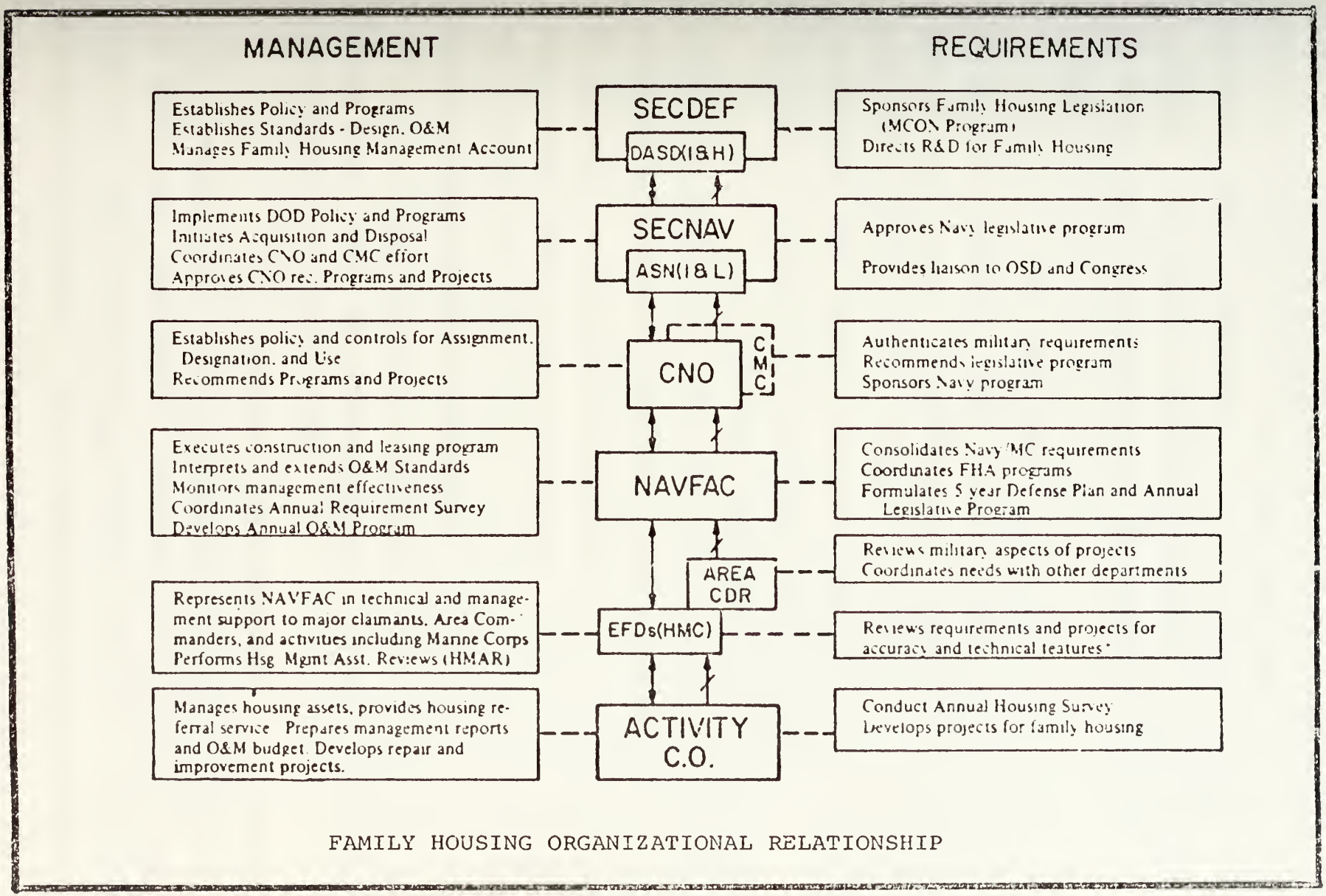
2. Organization, Functions and Staffing

This section provides general information on the organization, functions and staffing for the administration of family housing facilities and functions from the DOD level to the shore activity level. Guidance is furnished on staffing and on the selecting of personnel for managing housing facilities and executing tasks at Navy shore activities. See Figure IX-1 for family housing organizational relationships.

a. Organization

(1) Navy Department Level.

(a) Secretary of Defense. The Secretary of Defense exercises control over and administers military family housing as a centrally managed and funded "program element" (hereinafter referred to as the housing program) of the Department of Defense (DOD) programming system. Executive direction of the program is assigned to the Assistant Secretary of Defense (Installations and Logistics) who is the appropriations sponsor to the Congress for military family housing for all of the military departments and DOD agencies. The ASD (I&L) exercises direction through a Deputy Assistant Secretary of Defense for Installations and Housing (DADSD IH). Appropriations for the construction, acquisition, operation, and maintenance of housing facilities, and for the administration of housing functions flow into a Department of Defense Family Housing Management Account. Funds are made available to the military departments from the Family Housing Management Account (FHMA), by the Deputy Assistant Secretary of Defense (Comptroller) in consonance



FAMILY HOUSING ORGANIZATIONAL RELATIONSHIP

Figure IX-1

with prior approval of funding requirements by DASD (IH). The DASD (IH) controls the Defense Family Housing Property Account which includes all properties, real and chattel, supported by the FHMA. The Secretary of Defense controls and administers the family housing program within the military department, through the respective Secretaries.

(b) Secretary of the Navy. The Secretary of the Navy is responsible under the direction, authority and control of the Secretary of Defense for implementation of the policies and programs of DOD. Within the Department of the Navy, responsibility for family housing is assigned to the Assistant Secretary of the Navy (Installations and Logistics).

(c) Assistant Secretary of the Navy (Installations and Logistics). The ASN (I&L) is the principal advisor and assistant to the Secretary of the Navy for family housing. The ASN (I&L) is authorized and directed to act on matters related to the acquisition, construction, utilization, improvement, alteration, maintenance, and disposal of family housing; coordinates and directs the management and program actions of the Chief of Naval Operations (CNO) and the Commandant of the Marine Corps (CMC); and gives approval of programs and projects recommended by the CNO and CMC.

(d) Chief of Naval Operations. The CNO has total responsibility for the management of family housing at all Naval shore activities. Functions of a military or area nature are administered through the Naval District Commandants and area coordinators. Typical examples would be the allocation,

assignment and utilization of Government-owned or controlled housing and referral of servicemen to available community housing.

Matters of a technical or financial nature are channeled through the Commander, Naval Facilities Engineering Command (NAVFAC) and the NAVFAC Field Divisions. Budgeting, funding, special projects and maintenance standards are examples of matters administered through NAVFAC.

In addition, CNO is responsible to ASN (I&L) for recommending, with the concurrence of CMC, consolidated annual legislative proposals and programs concerned with acquisition, improvement, maintenance and operation or disposal of family housing for the entire Department of the Navy. CNO is thus considered to be the program sponsor and coordinator for these matters.

(e) Commandant of the Marine Corps. The CMC fulfills the same management and military responsibilities for Marine Corps commanded shore activities as does the CNO for Navy commanded shore activities. To maximize uniformity and integration within the Department of the Navy, the CMC administers family housing in accordance with the principles, standards, controls, cost accounts and reporting systems applied by the CNO to Navy Housing.

(f) Commander, Naval Facilities Engineering Command. Under the CNO and the Chief of Naval Material the Commander, Naval Facilities Engineering Command (NAVFAC) manages, maintains and operates Navy family housing, monitors

management effectiveness through periodic on-site inspections and analysis of performance reports, formulates budgets and legislative proposals; administers FHMA funds for field activiites; and establishes allowances for family housing real property. NAVFAC also does the following as it relates to family housing planning.

1) Provides the staff and advisory services to the CNO and CMC as required.

2) Formulates and coordinates, with the concurrence of the CMC where appropriate, the Department of the Navy annual legislative proposals for submittal by the CNO to the ASN (I&L).

3) Conducts surveys and formulates and recommends to the CNO construction, leasing, and other acquisitions to meet requirements at Navy activities. Justifies approved projects to the Office of the Secretary of Defense and Congress.

4) Develops and monitors, with concurrence of the CMC for the Marine Corps commanded activities, improvement projects for the Department of the Navy.

5) Develops and justifies for the CNO the Navy Five Year Defense Plan and annual budget requirements for family housing.

6) Selects sites for Department of the Navy family housing construction, with concurrence of the CMC for construction at Marine Corps commanded activities, and obtains required approval therefor.

7) Establishes criteria and standards for plans, designs, and constructs family housing for the Department of the Navy.

8) Acts as Program Administrator; has plant account custody; and manages, maintains, and operates family housing and related facilities serving Navy activities funded under the "Family Housing Management Account, Defense, Navy."

9) Establishes the allowances, standards, procedures, and controls for providing government furniture, furnishings, and household equipment items in Navy family housing.

10) Monitors occupancy of family housing to obtain appropriate and maximize utilization of Navy controlled facilities.

11) Executes the Department of the Navy domestic and foreign leasing program within guidance and priorities established by the CNO and CMC.

12) Effects approved disposals for the Department of the Navy through established disposal channels.

13) Establishes and maintains central inventory and use records and reporting systems for Department of the Navy family housing.

14) Performs periodic inspections of efficiency, economy, and effectiveness of management, maintenance and operation of family housing at Navy activities, and prepares reports of inspections for appropriate action.

(2) Field Level.

(a) Naval District Commandants and Area Commanders. They coordinate and recommend the acquisition of family housing to meet the requirements of the Navy within assigned coordination areas, execute family housing responsibilities as directed by CNO, and take actions as necessary to insure the overall efficiency, economy, and effectiveness of the Navy family housing program.

(b) NAVFAC Engineering Field Divisions (EFD). The Commanding Officers of EFDs represent and act for the Commander, NAVFAC, in the management of Navy family housing facilities and programs and are the principal staff advisors to the Naval District Commandants and Area Commanders in housing matters. They furnish activity Commanding Officers with technical guidance and direction in the administration of Navy housing facilities and programs.

To assist the EFDs in the area of family housing, Housing Management Centers (HMCs) were established in the Atlantic, Pacific, Chesapeake and Southern divisions. In addition to the abovementioned responsibilities, HMCs also evaluate and fund family housing budgets.

(c) Commanding Officers. The Commanding Officers of shore activities are responsible for insuring that family housing under their jurisdiction is effectively managed and that military personnel and civilian employees eligible for family housing have adequate opportunity to occupy government quarters. In addition, the Commanding Officer is

responsible for advising higher authorities of the requirements at his activity for additional family housing facilities and for essential repairs and improvements.

(d) Public Works Officer. The PWO of an activity is responsible for management of all aspects of family housing. Supervision and direction of the activity family housing program and operations normally will be vested in a professional housing manager and identified as a separate entity within the Public Works Department. The PWO is usually the staff advisor to the Commanding Officer in housing matters. Responsibility of the PWO for management of family housing includes acquisition, construction, improvement, alterations, repairs, maintenance, operation, funding, utilization and disposal.

One way in which the PWO, as the staff advisor on housing matters, can provide real and effective assistance to the housing program is to establish necessary operating policies with the Commanding Officer and Housing Manager, and coordinate command support in operating by these policies.

The PWO's role in housing management is a very important one and the PWO should become deeply involved with the minor details. Through periodic briefings, the Housing Manager can keep the PWO abreast of achievements, potential problem areas, and matters that may demand command attention. Utilization or occupancy of the units, and status of funds are two specific aspects of the program with which the PWO should be familiar. Two reports required by NAVCOMPT and NAVFAC can provide the PWO with current information.

The Housing Cost Report provides the expenditure of housing funds for maintenance and operations by Category of Housing Elements or Cost and Cost Accounts. The semi-annual utilization report or Housing Report (NAVFAC 8-11101/13) shows how well the activity's housing assets are being utilized. The PWO should know how these reports are developed, what the ultimate uses are, and what they tell about the activity, especially to a reviewer in the chain of command of that activity.

(e) Housing Manager. This is the individual to whom is delegated the responsibility for executing and controlling the family housing program of the activity. The PWO should strive to acquire the best qualified individual for this position as the Housing Manager as he/she has an influence on a large segment of the people at the activity. Consult the NAVFAC P-352 for the qualifications of a good Housing Manager.

The Housing Manager serves in many capacities. As a staff advisor to the Commanding Officer and the PWO on housing matters, the Housing Manager has a major responsibility to foster harmonious tenant relations, to serve in a liaison or coordination capacity in the development and operation of community facilities and activities, and to provide DOD personnel and their dependents who are authorized to live in the civilian community with a personalized and conveniently available service to assist them in locating suitable nondiscriminatory off-base housing. A knowledgeable manager should offer assistance and initiate all possible action within the

manager's area of responsibility to enhance a well-ordered living environment for all personal.

b. Functions

The primary function of the Housing Office is the management of the activity's housing assets. Its effort is more directional and controlling in this nature, rather than execution or performance. Particular attention is focused upon maximizing the availability or utilization of the housing assets, while maintaining them at the lowest feasible cost consistent with the design life and preservation of the facilities.

Another function of the Housing Office is to provide an off-base referral service through the Housing Referral Office (HRO). The service assists military and civilian personnel who are unable to obtain Government-owned or controlled housing to locate economic and nondiscriminatory off-base housing. To ensure that the effectiveness of the HRO is not impaired, no other installation' activity, or office should be permitted to operate or provide services in competition with the HRO. The Housing Manager should organize and operate the HRO in accordance with OPNAVINST 11101.30.

c. Staffing

The criteria for staffing the housing management function is related to the workload generated by the housing units managed. This criteria is only related to the employees whose salaries are paid from the FHMA.

The numerical size and grade structure of the management staff will vary in accordance with the number of

housing units, the type of units, and the dispersion of the units. A maximum ratio of one employee per 150 units will be applied when the inventory is between 500 and 800 units and one employee for approximately each 200 units if the inventory exceeds 800 units.

In cases where the application of the ratio of one employee per 150 units or one employee per 200 units results in part of a whole number above 0.5, the next highest number may be used. For example:

775 units = 4 employees for 500 units plus 275 = 1.8 or 2 employees for a maximum of 6.

1892 units = 4 employees for 500 units, plus 300 = 2 employees, plus 1092 = 5.4 employees for a maximum of 11.

Shop personnel and personnel working in the HRO are excluded from the NAVFAC criteria. Normally, the services of shop personnel are purchased on as-needed basis. Personnel employed in the HRO are separately allocated by the EFD and are funded by NAVFAC through the cognizant HMC.

3. Requirements, Programming and Planning

a. Housing Requirements

The basic policies and procedures for establishing family housing requirements are prescribed in OPNAVINST 11101.37 and in NAVFAC P-352. It is still the responsibility of the area coordinator to furnish requirements data for Navy activities in their respective areas. The CNO and the CMC for the Marine Corps are assigned the responsibility for validating

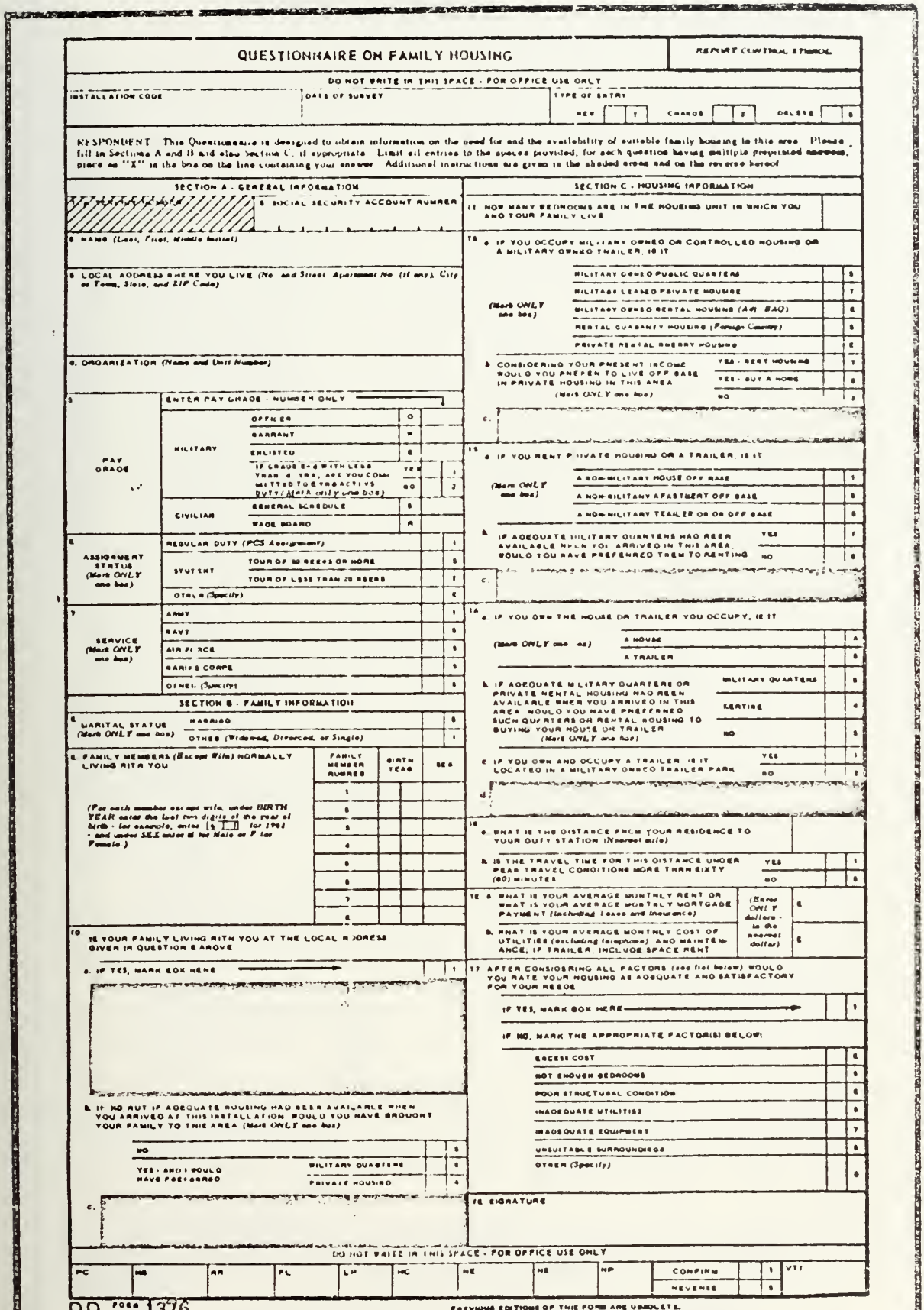
family housing requirements, establishing program goals, recommending programs and projects for ASN (I&L) approval, and advising the ASN (I&L) on military factors which affect family housing program and projects. NAVFAC is assigned the responsibility for compiling requirements data and developing housing programs for submission to CNO. The basis for determination of family housing requirements is the family housing survey. The information obtained from this survey is consolidated, tabulated, and eventually presented to OSD and the Congressional committees in support of recommended housing projects. Accordingly, survey results must reflect local conditions as accurately and comprehensively as possible. In view of the importance of the survey, Commanding Officers must insure that command attention at all levels is directed to the conduct of the surveys.

The family housing survey will be conducted during the first quarter of the calendar year. The following documents are used in establishing requirements:

(1) DD Form 1376, Questionnaire on Family Housing (Figure IX-2). This is the basic document used to gather information on existing private housing conditions as of the survey date.

(2) DD Form 1377, Tabulation of Family Housing Survey (Figure IX-3). This form is a compilation of the data from the questionnaires and other input documents.

(3) DD Form 1378, Determination of Housing Requirements and Project Compositions (Figure IX-4). In this form,



QUESTIONNAIRE ON FAMILY HOUSING

REPORT CONTROL SYMBOL

DO NOT WRITE IN THIS SPACE - FOR OFFICE USE ONLY

INSTALLATION CODE | DATE OF SURVEY | TYPE OF ENTRY: ADD T | CHANGE C | DELETE D

RESPONDENT - This Questionnaire is designed to obtain information on the need for and the availability of suitable family housing in this area. Please fill in Sections A and B and also Section C, if appropriate. Limit all entries to the spaces provided, for each question having multiple preprinted answers, place an "X" in the box on the line containing your answer. Additional instructions are given in the shaded areas and on the reverse hereof.

SECTION A - GENERAL INFORMATION

1 [redacted]

2 SOCIAL SECURITY ACCOUNT NUMBER

3 NAME (Last, First, Middle Initial)

4 LOCAL ADDRESS WHERE YOU LIVE (No. and Street, Apartment No. (if any), City or Town, State, and ZIP Code)

5 ORGANIZATION (Name and Unit Number)

6 PAY GRADE - ENTER PAY GRADE - NUMBER ONLY

MILITARY	OFFICER	O	
	WARRANT	W	
	ENLISTED	E	
	IF GRADE E-4 WITH LESS THAN 4 YRS, ARE YOU COMMITTED TO EXTRACTIVE DUTY? (Mark only one box)	YES	1
		NO	2
CIVILIAN	GENERAL SCHEDULE	G	
	WAGE BOARD	W	

7 ASSIGNMENT STATUS (Mark ONLY one box)

REGULAR DUTY (PCS Assignment)		1
STUDENT	TOUR OF 20 WEEKS OR MORE	6
	TOUR OF LESS THAN 20 WEEKS	7
OTHER (Specify)		8

8 SERVICE (Mark ONLY one box)

ARMY	1
NAVY	2
AIR FORCE	3
MARINE CORPS	5
OTHER (Specify)	8

SECTION B - FAMILY INFORMATION

9 MARITAL STATUS (Mark ONLY one box)

MARRIED	0
OTHER (Widowed, Divorced, or Single)	1

10 FAMILY MEMBERS (Except Wife) NORMALLY LIVING WITH YOU

(For each member except wife, under BIRTH YEAR enter the last two digits of the year of birth - for example, enter [6][8] for 1968 - and under SEX enter M for Male or F for Female.)

FAMILY MEMBER NUMBER	BIRTH YEAR	SEX
1		
2		
3		
4		
5		
6		
7		
8		

11 IS YOUR FAMILY LIVING WITH YOU AT THE LOCAL ADDRESS GIVEN IN QUESTION 4 ABOVE

a. IF YES, MARK BOX HERE → 1

b. IF NO BUT IF ADEQUATE HOUSING HAD BEEN AVAILABLE WHEN YOU ARRIVED AT THIS INSTALLATION, WOULD YOU HAVE BROUGHT YOUR FAMILY TO THIS AREA (Mark ONLY one box)

NO		5
YES - AND I WOULD HAVE PREFERRED	MILITARY QUARTERS	6
	PRIVATE HOUSING	4

c. [redacted]

SECTION C - HOUSING INFORMATION

12 HOW MANY BEDROOMS ARE IN THE HOUSING UNIT IN WHICH YOU AND YOUR FAMILY LIVE

13 a. IF YOU OCCUPY MILITARY OWNED OR CONTROLLED HOUSING OR A MILITARY OWNED TRAILER, IS IT (Mark ONLY one box)

MILITARY OWNED PUBLIC QUARTERS	S
MILITARY LEASED PRIVATE HOUSING	T
MILITARY OWNED RENTAL HOUSING (Ask BAQ)	G
RENTAL GUARANTY HOUSING (Foreign Country)	B
PRIVATE RENTAL RESERV HOUSING	E

b. CONSIDERING YOUR PRESENT INCOME WOULD YOU PREFER TO LIVE OFF BASE IN PRIVATE HOUSING IN THIS AREA (Mark ONLY one box)

YES - RENT HOUSING	7
YES - BUY A HOME	8
NO	9

c. [redacted]

14 a. IF YOU RENT PRIVATE HOUSING OR A TRAILER, IS IT (Mark ONLY one box)

A NON-MILITARY HOUSE OFF BASE	1
A NON-MILITARY APARTMENT OFF BASE	2
A NON-MILITARY TRAILER ON OR OFF BASE	3

b. IF ADEQUATE MILITARY QUARTERS HAD BEEN AVAILABLE WHEN YOU ARRIVED IN THIS AREA, WOULD YOU HAVE PREFERRED THEM TO RENTING

YES	7
NO	8

c. [redacted]

15 a. IF YOU OWN THE HOUSE OR TRAILER YOU OCCUPY, IS IT (Mark ONLY one box)

A HOUSE	A
A TRAILER	B

b. IF ADEQUATE MILITARY QUARTERS OR PRIVATE RENTAL HOUSING HAD BEEN AVAILABLE WHEN YOU ARRIVED IN THIS AREA, WOULD YOU HAVE PREFERRED SUCH QUARTERS OR RENTAL HOUSING TO BUYING YOUR HOUSE OR TRAILER (Mark ONLY one box)

MILITARY QUARTERS	3
EITHER	4
NO	5

c. IF YOU OWN AND OCCUPY A TRAILER, IS IT LOCATED IN A MILITARY OWNED TRAILER PARK

YES	1
NO	2

d. [redacted]

16 a. WHAT IS THE DISTANCE FROM YOUR RESIDENCE TO YOUR DUTY STATION (Nearest mile)

b. IS THE TRAVEL TIME FOR THIS DISTANCE UNDER PEAK TRAVEL CONDITIONS MORE THAN SIXTY (60) MINUTES

YES	1
NO	0

17 a. WHAT IS YOUR AVERAGE MONTHLY RENT OR WHAT IS YOUR AVERAGE MONTHLY MORTGAGE PAYMENT (Including Taxes and Insurance) (Enter ONLY dollars - to the nearest dollar) $

b. WHAT IS YOUR AVERAGE MONTHLY COST OF UTILITIES (excluding telephone) AND MAINTENANCE, IF TRAILER, INCLUDE SPACE RENT $

18 AFTER CONSIDERING ALL FACTORS (see list below) WOULD YOU RATE YOUR HOUSING AS ADEQUATE AND SATISFACTORY FOR YOUR NEEDS

IF YES, MARK BOX HERE → 1

IF NO, MARK THE APPROPRIATE FACTOR(S) BELOW:

EXCESS COST	C
NOT ENOUGH BEDROOMS	B
POOR STRUCTURAL CONDITION	C
INADEQUATE UTILITIES	D
INADEQUATE EQUIPMENT	F
UNSUITABLE SURROUNDINGS	G
OTHER (Specify)	O

19 SIGNATURE

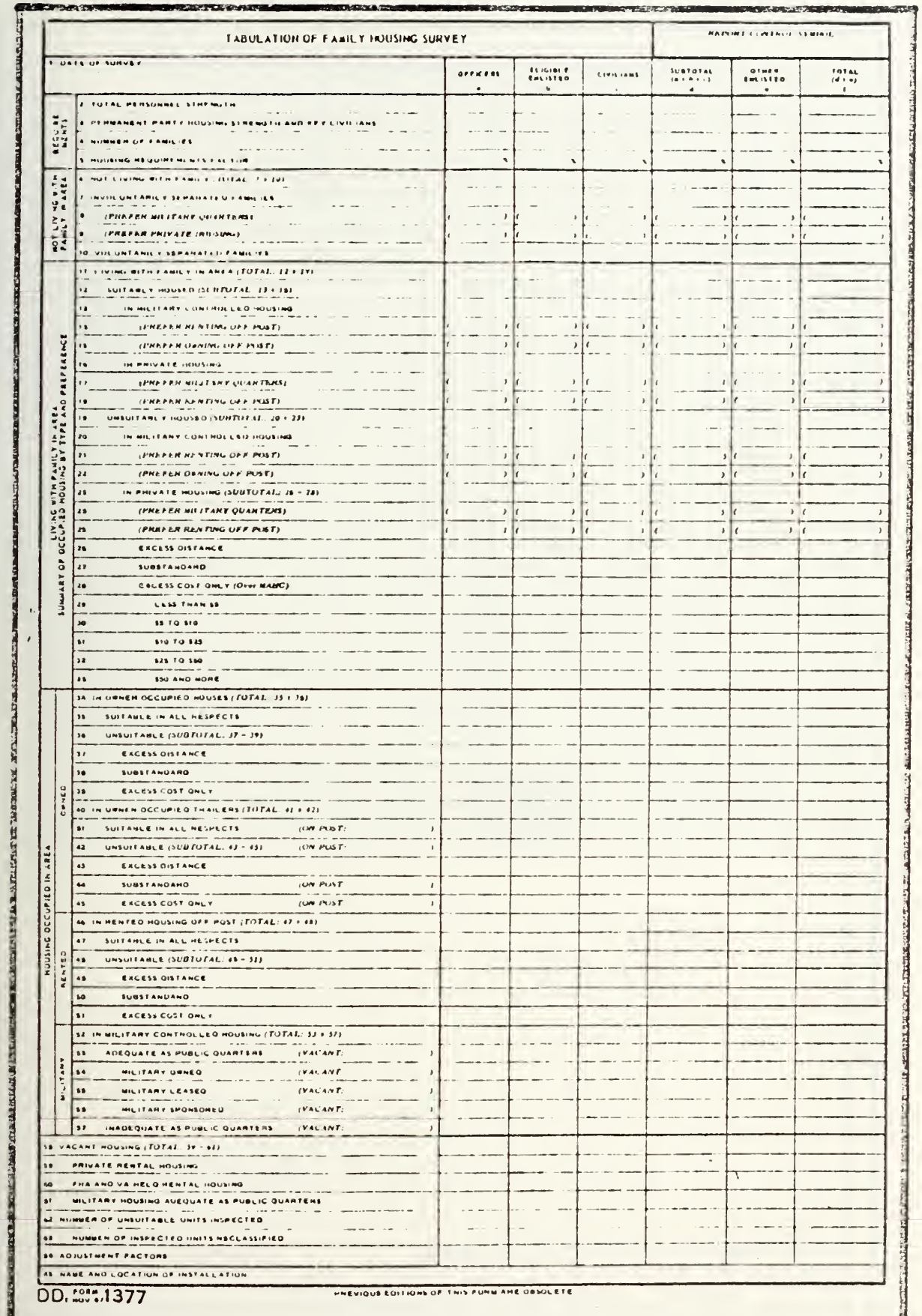
DO NOT WRITE IN THIS SPACE - FOR OFFICE USE ONLY

PC	MS	AR	FL	LP	HC	NE	NE	NP	CONFIRM	1	VTI
									REVENSE	5	

DD FORM 1376 PREVIOUS EDITIONS OF THIS FORM ARE OBSOLETE.

QUESTIONNAIRE ON FAMILY HOUSING

Figure IX-2



TABULATION OF FAMILY HOUSING SURVEY

1 DATE OF SURVEY		OFFICERS a	ELIGIBLE ENLISTED b	CIVILIANS c	PARENT CONSUMER STRENGTH: SUBTOTAL (a + b + c) d	OTHER ENLISTED e	TOTAL (d + e) f
RESOURCE DATA	2 TOTAL PERSONNEL STRENGTH						
	3 PERMANENT PARTY HOUSING STRENGTH AND DEP CIVILIANS						
	4 NUMBER OF FAMILIES						
	5 HOUSING REQUIREMENTS FACTOR	\	\	\	\	\	\
NOT LIVING WITH FAMILY IN AREA	6 NOT LIVING WITH FAMILY (TOTAL 7 + 10)						
	7 INVOLUNTARILY SEPARATED FAMILIES						
	8 (PREFER MILITARY QUARTERS)	( )	( )	( )	( )	( )	( )
	9 (PREFER PRIVATE HOUSING)	( )	( )	( )	( )	( )	( )
	10 VOLUNTARILY SEPARATED FAMILIES						
LIVING WITH FAMILY IN AREA — SUMMARY OF OCCUPIED HOUSING BY TYPE AND PREFERENCE	11 LIVING WITH FAMILY IN AREA (TOTAL 12 + 17)						
	12 SUITABLY HOUSED (SUBTOTAL 13 + 16)						
	13 IN MILITARY CONTROLLED HOUSING						
	14 (PREFER RENTING OFF POST)	( )	( )	( )	( )	( )	( )
	15 (PREFER OWNING OFF POST)	( )	( )	( )	( )	( )	( )
	16 IN PRIVATE HOUSING						
	17 (PREFER MILITARY QUARTERS)	( )	( )	( )	( )	( )	( )
	18 (PREFER RENTING OFF POST)	( )	( )	( )	( )	( )	( )
	19 UNSUITABLY HOUSED (SUBTOTAL 20 + 23)						
	20 IN MILITARY CONTROLLED HOUSING						
	21 (PREFER RENTING OFF POST)	( )	( )	( )	( )	( )	( )
	22 (PREFER OWNING OFF POST)	( )	( )	( )	( )	( )	( )
	23 IN PRIVATE HOUSING (SUBTOTAL 25 + 28)						
	25 (PREFER MILITARY QUARTERS)	( )	( )	( )	( )	( )	( )
	26 (PREFER RENTING OFF POST)	( )	( )	( )	( )	( )	( )
	26 EXCESS DISTANCE						
	27 SUBSTANDARD						
	28 EXCESS COST ONLY (Over MAHC)						
	29 LESS THAN $5						
	30 $5 TO $10						
	31 $10 TO $25						
	32 $25 TO $50						
	33 $50 AND MORE						
HOUSING OCCUPIED IN AREA — OWNED	34 IN OWNER OCCUPIED HOUSES (TOTAL 35 + 38)						
	35 SUITABLE IN ALL RESPECTS						
	36 UNSUITABLE (SUBTOTAL 37 - 39)						
	37 EXCESS DISTANCE						
	38 SUBSTANDARD						
	39 EXCESS COST ONLY						
	40 IN OWNER OCCUPIED TRAILERS (TOTAL 41 + 42)						
	41 SUITABLE IN ALL RESPECTS (ON POST:)						
	42 UNSUITABLE (SUBTOTAL 43 - 45) (ON POST:)						
	43 EXCESS DISTANCE						
	44 SUBSTANDARD (ON POST)						
	45 EXCESS COST ONLY (ON POST)						
	46 IN RENTED HOUSING OFF POST (TOTAL 47 + 48)						
	47 SUITABLE IN ALL RESPECTS						
	48 UNSUITABLE (SUBTOTAL 49 - 51)						
	49 EXCESS DISTANCE						
	50 SUBSTANDARD						
	51 EXCESS COST ONLY						
	52 IN MILITARY CONTROLLED HOUSING (TOTAL 53 + 57)						
	53 ADEQUATE AS PUBLIC QUARTERS (VACANT:)						
	54 MILITARY OWNED (VACANT:)						
	55 MILITARY LEASED (VACANT:)						
	56 MILITARY SPONSORED (VACANT:)						
	57 INADEQUATE AS PUBLIC QUARTERS (VACANT:)						
58 VACANT HOUSING (TOTAL 59 + 61)							
59 PRIVATE RENTAL HOUSING							
60 FHA AND VA HELD RENTAL HOUSING							
61 MILITARY HOUSING AUEQUATE AS PUBLIC QUARTERS							
62 NUMBER OF UNSUITABLE UNITS INSPECTED							
63 NUMBER OF INSPECTED UNITS RECLASSIFIED							
64 ADJUSTMENT FACTORS							
65 NAME AND LOCATION OF INSTALLATION							

DD FORM 1377 PREVIOUS EDITIONS OF THIS FORM ARE OBSOLETE

TABULATION OF FAMILY HOUSING SURVEY

Figure IX-3

QUALITATIVE ANALYSIS OF REQUIREMENTS AND ASSETS

	EFFECTIVE REQUIREMENTS		SUITABLE HOUSING			DEFICIT (b - e)
	NUMBER a	PERCENT b	MIL CONTROL c	OFF POST d	TOTAL (c + d) e	f
66 O-10 THROUGH O-6		%				
67 1 OR 2 BEDROOMS		%				
68 3 BEDROOMS		%				
69 4 OR MORE BEDROOMS		%				
70 O-5 AND O-4		%				
71 1 OR 2 BEDROOMS		%				
72 3 BEDROOMS		%				
73 4 OR MORE BEDROOMS		%				
74 O-3 THROUGH O-1 AND W-4 THROUGH W-1		%				
75 1 OR 2 BEDROOMS		%				
76 3 BEDROOMS		%				
77 4 OR MORE BEDROOMS		%				
78 ALL OFFICER GRADES (TOTAL: 66 + 70 + 74)		%				
79 1 OR 2 BEDROOMS		%				
80 3 BEDROOMS		%				
81 4 OR MORE BEDROOMS		%				
83 E-9 THROUGH E-4, 4 OR MORE YEARS		%				
83 1 OR 2 BEDROOMS		%				
84 3 BEDROOMS		%				
85 4 OR MORE BEDROOMS		%				
86 ALL ELIGIBLE MILITARY (TOTAL: 78 + 82)		%				
87 1 OR 2 BEDROOMS		%				
88 3 BEDROOMS		%				
89 4 OR MORE BEDROOMS		%				
90 KEY CIVILIANS - O EQUIVALENT		%				
91 1 OR 2 BEDROOMS		%				
92 3 BEDROOMS		%				
93 4 OR MORE BEDROOMS		%				
94 KEY CIVILIANS - E EQUIVALENT		%				
95 1 OR 2 BEDROOMS		%				
96 3 BEDROOMS		%				
97 4 OR MORE BEDROOMS		%				
98 ALL ELIGIBLE CATEGORIES (TOTAL: 86 + 90 + 94)		100.0 %				
99 1 OR 2 BEDROOMS		%				
100 3 BEDROOMS		%				
101 4 OR MORE BEDROOMS		%				
102 E-4 LESS THAN 4 YEARS, THROUGH E-1		100.0 %				
103 1 OR 2 BEDROOMS		%				
104 3 BEDROOMS		%				
105 4 OR MORE BEDROOMS		%				

106 REMARKS

107. AUTHENTICATION	NAME AND TITLE (Typed or Stamped)	SIGNATURE	DATE

108 NAME AND LOCATION OF INSTALLATION

DD, FORM 1 NOV 67 1377

Figure IX-3 (Page 2)

DETERMINATION OF HOUSING REQUIREMENTS AND PROJECT COMPOSITION

QUALITATIVE ANALYSIS OF REQUIREMENTS	REQUIREMENTS			SUITABLE HOUSING			PROGRAM DEFICIT (a Minus f)	FISCAL YEAR 19__
	EFFECTIVE a	PERCENT b	PROGRAM LIMIT c	MILITARY CONTROL d	OFF POST e	TOTAL (d + e) f	g	PROJECT h
55. 0-10 T HROUGH 0-6		%						
56. 1 AND 2 BEDROOMS		%						
57. 3 BEDROOMS		%						
58. 4 OR MORE BEDROOMS		%						
59. 0-5 AND 0-4		%						
60. 1 AND 2 BEDROOMS		%						
61. 3 BEDROOMS		%						
62. 4 OR MORE BEDROOMS		%						
63. 0-3 - 0-1 AND W-4 - W-1		%						
64. 1 AND 2 BEDROOMS		%						
65. 3 BEDROOMS		%						
66. 4 OR MORE BEDROOMS		%						
67. OFFICERS - TOTAL		%						
68. 1 AND 2 BEDROOMS		%						
69. 3 BEDROOMS		%						
70. 4 OR MORE BEDROOMS		%						
71. E-5 - E-4, 4 OR MORE YEARS		%						
72. 1 AND 2 BEDROOMS		%						
73. 3 BEDROOMS		%						
74 4 OR MORE BEDROOMS		%						
75. MILITARY - TOTAL		%						
76. 1 AND 2 BEDROOMS		%						
77. 3 BEDROOMS		%						
78. 4 OR MORE BEDROOMS		%						
79. KEY CIVS. - O EQUIVALENT		%						
80. 1 AND 2 BEDROOMS		%						
81. 3 BEDROOMS		%						
82. 4 OR MORE BEDROOMS		%						
83. KEY CIVS. - E EQUIVALENT		%						
84. 1 AND 2 BEDROOMS		%						
85. 3 BEDROOMS		%						
86. 4 OR MORE BEDROOMS		%						
87. ALL CATEGORIES - TOTAL		100.0 %						
88. 1 AND 2 BEDROOMS		%						
89. 3 BEDROOMS		%						
90. 4 OR MORE BEDROOMS		%						

91. REMARKS *(If more space is needed, continue on back)*

92. AUTHENTICATION	NAME AND TITLE *(Typed or Stamped)*	SIGNATURE	DATE

93. NAME AND LOCATION OF INSTALLATION

DD FORM 1378 Page 2 of 2 Pages

DETERMINATION OF HOUSING
REQUIREMENTS AND PROJECT COMPOSITION

Figure IX-4

DETERMINATION OF HOUSING REQUIREMENTS AND PROJECT COMPOSITION

REPORT CONTROL SYMBOL

DERIVATION OF LONG-RANGE HOUSING REQUIREMENTS	OFFICERS		ENLISTED MEN				CIVILIANS	TOTAL (a - g)
			OPERATIONAL		STUDENTS			
	OPERATIONAL a	STUDENTS b	ELIGIBLE c	OTHER d	ELIGIBLE e	OTHER f	g	h
1. TOTAL PERSONNEL STRENGTH								
2. PERMANENT PARTY HOUSING STRENGTH								
3. HOUSING REQUIREMENTS FACTOR	%	%	%	%	%	%	%	%
4. GROSS HOUSING REQUIREMENTS								

DERIVATION OF LONG-RANGE HOUSING DEFICIT

	OFFICERS a	ELIGIBLE ENLISTED b	KEY CIVILIANS c	TOTAL (a - c) NUMBER d	TOTAL (a - c) PERCENT e
5. GROSS ELIGIBLE HOUSING REQUIREMENTS					100.0 %
6. VOLUNTARILY SEPARATED FAMILIES					%
7. EFFECTIVE HOUSING REQUIREMENTS (5 Minus 6)					%
8. (Programming Limit - %)	( )	( )	( )	( )	%)
9. SUITABLE HOUSING ASSETS (Total: 10 + 16)					%
10. MILITARY CONTROLLED ASSETS (Subtotal: 11 - 15)					%
11. MILITARY OWNED - EXISTING					%
12. MILITARY OWNED - UNDER CONTRACT					%
13. MILITARY OWNED - APPROVED					%
14. MILITARY LEASED - EXISTING AND APPROVED					%
15. OTHER (Specify:)					%
16. NOT MILITARY CONTROLLED (Subtotals: 17 - 21)					%
17. CURRENTLY OCCUPIED - OWNED					%
18. CURRENTLY OCCUPIED - RENTED					%
19. CURRENTLY VACANT - PRIVATE FOR RENT					%
20. CURRENTLY VACANT - FHA AND VA FOR RENT					%
21. UNDER CONSTRUCTION OR FIRMLY PLANNED					%
22. NET HOUSING DEFICIT (7 Minus 9)					%
23. (Programming Deficit (8 Minus 9))	( )	( )	( )	( )	%)

PROPOSED HOUSING INCREMENTS AND PROGRAMMING LEVELS

		OFFICERS a	ELIGIBLE ENLISTED b	KEY CIVILIANS c	TOTAL (a - c) NUMBER d	TOTAL (a - c) PERCENT e
FISCAL YEAR 19___	24. NEW CONSTRUCTION					%
	25. OTHER (Specify:)					%
	26. MILITARY PROGRAMMING LEVEL - NO. (10 + 24 + 25)					%
	27. MILITARY PROGRAMMING LEVEL - PERCENT (26÷5)	%	%	%	%	
	28. TOTAL PROGRAMMING LEVEL - NO. (6+9+24+25)					%
	29. TOTAL PROGRAMMING LEVEL - PERCENT (28 ÷ 5)	%	%	%	%	
FISCAL YEAR 19___	30. NEW CONSTRUCTION					%
	31. OTHER (Specify:)					%
	32. MILITARY PROGRAMMING LEVEL - NO. (26+30+31)					%
	33. MILITARY PROGRAMMING LEVEL - PERCENT (32÷5)	%	%	%	%	
	34. TOTAL PROGRAMMING LEVEL - NO. (28+30+31)					%
	35. TOTAL PROGRAMMING LEVEL - PERCENT (34÷5)	%	%	%	%	
FISCAL YEAR 19___	36. NEW CONSTRUCTION					%
	37. OTHER (Specify:)					%
	38. MILITARY PROGRAMMING LEVEL -NO. (32+36+37)					%
	39. MILITARY PROGRAMMING LEVEL - PERCENT (38÷5)	%	%	%	%	
	40. TOTAL PROGRAMMING LEVEL - NO. (34+36+37)					%
	41. TOTAL PROGRAMMING LEVEL - PERCENT (40÷5)	%	%	%	%	
FISCAL YEAR 19___	42. NEW CONSTRUCTION					%
	43. OTHER (Specify:)					%
	44. MILITARY PROGRAMMING LEVEL - NO. (38+42+43)					%
	45. MILITARY PROGRAMMING LEVEL - PERCENT (44÷5)	%	%	%	%	
	46. TOTAL PROGRAMMING LEVEL - NO. (40+42+43)					%
	47. TOTAL PROGRAMMING LEVEL - PERCENT (46÷5)	%	%	%	%	
FISCAL YEAR 19___	48. NEW CONSTRUCTION					%
	49. OTHER (Specify:)					%
	50. MILITARY PROGRAMMING LEVEL - NO. (44+48+49)					%
	51. MILITARY PROGRAMMING LEVEL - PERCENT (50÷5)	%	%	%	%	
	52. TOTAL PROGRAMMING LEVEL - NO. (46+48+49)					%
	53. TOTAL PROGRAMMING LEVEL - PERCENT (52÷5)	%	%	%	%	

54. NAME AND LOCATION OF INSTALLATION

DD FORM 1 OCT 68 1378

Page 1 of 2 Pages

Figure IX-4 (Page 2)

data from DD Form 1377 are combined with projected personnel and military housing data for determination of projected requirements and project composition.

(4) DD Form 1379, Narrative on Family Housing (Figure IX-5). A narrative description of the mission, area, and local housing conditions. It is important to activities as it provides them the opportunity to state why they do/do not need new construction.

One important output of the surveys is the determination of the net housing deficit. Before computing the net housing deficit, gross housing requirements must be determined. The gross housing requirements must be determined. The gross housing requirement is the lowest projected military personnel strength level at your activity, including tenant activities, for the period of the next five years.

The projected base loading factor must then be adjusted by the activity's actual marital rate factors, if known, or the activity may use the Navy-wide averages available from BUPERS. The result is the Gross Housing Requirements for the activity.

Then the Gross Housing Requirements are reduced by the amount of current assets. The tabulation of current assets must include existing and vacant community units; and all adequate and occupied inadequate Government-owned and controlled units existing and approved. The resulting deficit, if any, is the Net Housing Deficit (Figure IX-6).

NARRATIVE ON FAMILY HOUSING	REPORT CONTROL SYMBOL

1. MISSION

2. LOCATION

3. COMMUNITY SUPPORT

4. HOUSING ON POST

5. JUSTIFICATION OF PROPOSED HOUSING

6. AUTHENTICATION	NAME AND TITLE (Typed or Stamped)	SIGNATURE	DATE

7. NAME AND LOCATION OF INSTALLATION:

DD FORM 1 MAY 64 1379 PREVIOUS EDITIONS OF THIS FORM ARE OBSOLETE.

NARRATIVE OF FAMILY HOUSING

Figure IX-5

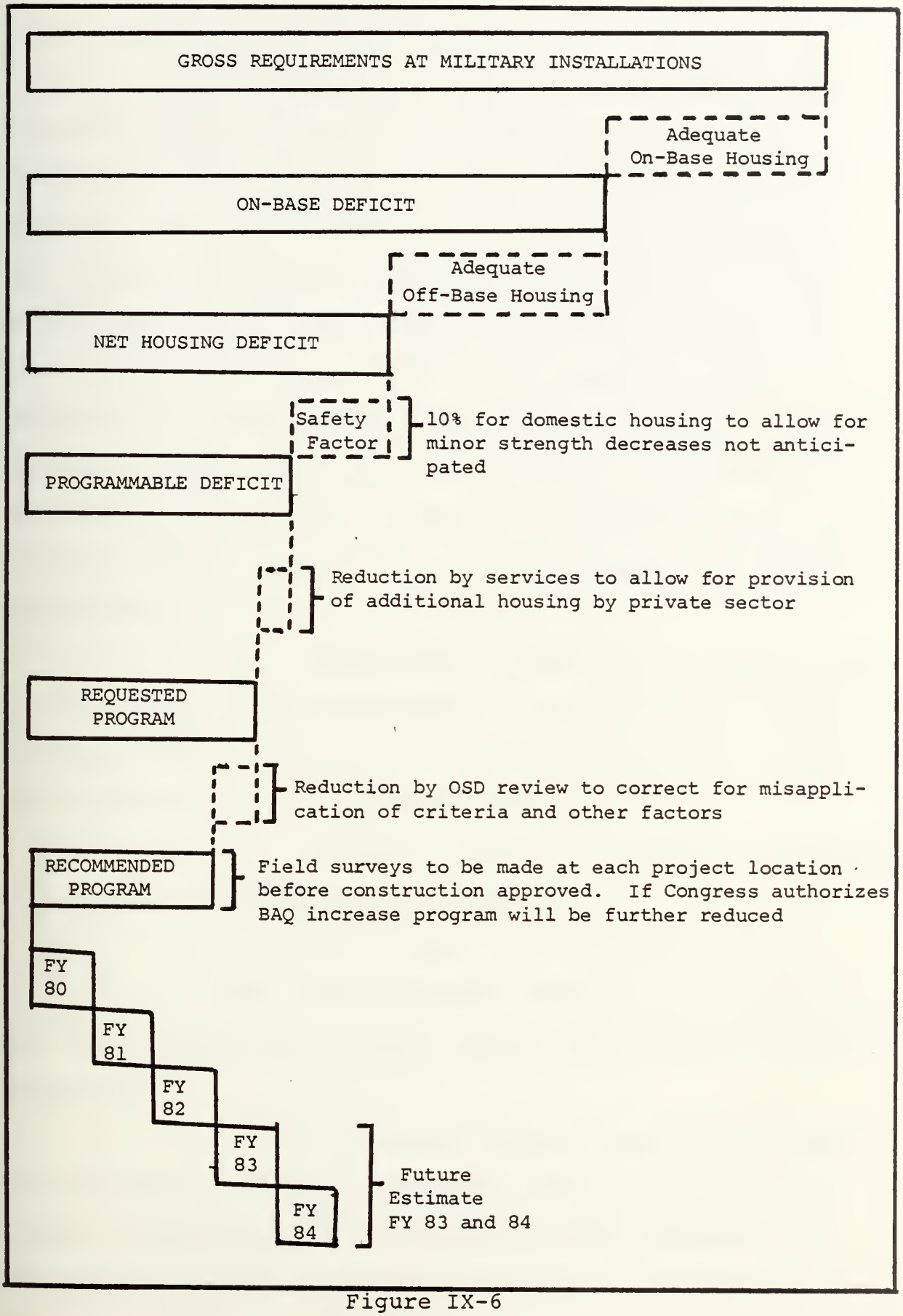

GROSS REQUIREMENTS AT MILITARY INSTALLATIONS
Adequate On-Base Housing
ON-BASE DEFICIT
Adequate Off-Base Housing
NET HOUSING DEFICIT
Safety Factor
10% for domestic housing to allow for minor strength decreases not anticipated
PROGRAMMABLE DEFICIT
Reduction by services to allow for provision of additional housing by private sector
REQUESTED PROGRAM
Reduction by OSD review to correct for misapplication of criteria and other factors
RECOMMENDED PROGRAM
Field surveys to be made at each project location before construction approved. If Congress authorizes BAQ increase program will be further reduced
FY 80
FY 81
FY 82
FY 83
FY 84
Future Estimate FY 83 and 84

Figure IX-6

b. Programming and Planning

(1) Programming. Annual programs will include provision for improvements to existing assets as well as new construction, when justified, to meet a net deficit of family housing. The type and amount of housing to be programmed for each installation will be governed by the length of time the installation will be used; lowest predictable strength level to be maintained; adequacy of existing community support and military controlled housing; impact of new military housing on the local economy; and predictable changes in availability of adequate private housing. Selection of an appropriate new construction program will depend on duration and level of need as defined below.

(a) Long Range. Minimum of five years with no predictable reduction thereafter. There should be reasonable expectation that recovery on construction costs can be made from the quarters allowances saved.

(b) Uncertain Duration. Minimum of five years with duration thereafter unpredictable.

(c) Short Range. Less than five years.

(d) Terminal Need. Present and pipeline military assets plus private assets exceed eighty percent of gross requirements.

There are certain limitations to the programming of military housing. Military housing will not be programmed or constructed if the total available adequate units, military and private, exceed 90% of gross requirements in the

United States and possessions or 80% of gross requirements in foreign countries.

(2) Net Housing Deficit. The establishment of a net housing deficit is not tantamount to approval for the acquisition of additional facilities. It does provide documentary evident of an inadequacy at your activity and opens an avenue of communication through your Commandant/Area Coordinator, EFD, and NAVFAC to explore the chances for including a project in a future legislative program.

(3) Programming the Deficit. The type and number of units that may be programmed will be governed by the duration of need for your activity; legislative and administrative programming limitations; predictable changes in availability of adequate private housing; and other factors. Further, acquisition of additional units may be by leasing suitable community housing, improvements of existing inadequate or substandard units, construction of new units, or a combination of sources.

(4) Revalidation of Deficit. Data obtained from subsequent annual surveys may further support and validate your requirement for additional units. Conversely, the data may not support previously established requirements, and NAVFAC will then reprogram appropriately.

(5) Other Housing Sources. When long range housing requirements cannot be satisfied with existing adequate assets and forseeable new Government-owned units the following sources should be considered and utilized.

(a) Army and Air Force Housing. In certain areas, Army or Air Force installations may have excess family housing which can be made available to Navy personnel. The Commanding Officer of a Navy or Marine Corps installation near an Army or Air Force installation should investigate the possibility of an agreement for use of the excess housing.

(b) In-Service Loans. This is a special program for FHA mortgage loans to finance building or buying of homes by military personnel on active duty. The DOD pays the FHA mortgage insurance of one-half of one percent of the outstanding mortgage amount. An applicant must obtain from the Commanding Officer a certificate of eligibility (Form DD 802) certifying that he or she is on active duty, has been on active duty more than two years, and that he or she requires housing. Funds for In-Service loans may or may not be available if there is a high interest rate on mortgages.

(c) Other FHA Insured Mortgages. The FHA insured mortgage loans which are available to the general public and are also available to military personnel. The FHA must make a finding of long term economic stability for the area before insuring a loan under the general FHA mortgage insurance program.

(d) Housing Assistance Administration (HAA) Low Rent Housing. The HAA helps local communities through local housing authorities provide housing for low income groups. In these localities, it may be possible to arrange with the local housing authority to admit lower grades of enlisted

personnel. Admission is restricted to a maximum income limit depending on family size. Rents are usually established on the basis of family income and number of dependents.

c. Military In-Leasing Program

(1) Scope. This program provides, by means of in-leasing from private property owners, family housing to be occupied as public quarters by eligible military personnel and their dependents. The leasing program is divided into two areas, domestic and foreign. Details on the programs discussed below are covered in NAVFAC P-352.

(2) Cost Limitations. Expenditures for the rental of such housing facilities are governed by law and publicized annually based on annual legislative changes.

(3) The Domestic Leasing Program. This program is governed by Public Law 84-161 as amended and includes family housing leased in the United States, including Hawaii and Alaska, and Puerto Rico and Guam.

Domestic leasing is authorized only when the Secretary of Defense, or his designee, find that there is a lack of adequate housing at or near a military installation and that (1) there has been a recent substantial temporary increase in military strength, (2) the permanent military strength is to be substantially reduced in the near future, (3) the number of military personnel assigned is so small as to make the construction of family housing uneconomical, (4) family housing is required for personnel attending service school academic courses on permanent change of station orders, or (5) family

housing authorization request is in a pending military construction authorization bill.

(4) Foreign Leasing Program. This program is authorized under Title 10, USC Section 2675 and includes leasing of family housing in foreign countries for Navy and civilian personnel including family housing leased and operated by the Navy as administrative agent for the other military Services.

The following OSD and CNO policies govern the foreign leasing program:

(a) Family housing leased in foreign countries shall be restricted to personnel in special positions or in those countries where excessive costs for housing would cause undue hardship. The DOD criteria for undue hardship includes: (1) local custom requires advance rental payment for three or more months; (2) local restrictions preclude individual leases to foreign nationals; (3) living conditions are dangerous and unhealthy; and (4) there has been or will be a rapid influx of personnel as a result of force redeployment.

(b) Leasing shall be limited to personnel in ranks of O-6 and above, and for individuals in lower ranks and civilians under conditions of undue hardship.

d. Cost Limitations

The cost limitations for foreign leasing is administered by OSD. It is possible to request authority to exceed statutory limits upon request. For example, CINCUSNAVEUR leased a flat for his Deputy CINC in London, 1971, which exceeded the statutory limitation by $10,000 per year.

e. Mobile Home Parks

(1) Policy. Where the number of service personnel owning mobile homes is substantial and adequate private mobile home parks at reasonable rents and within acceptable distances are not sufficient to meet the requirement, projects for construction of government parks may be programmed.

(2) Requirements. Annual NAVFAC Notices provide information and establish instructions for surveying mobile park requirements.

(3) Operation of Mobile Home Parks. Standards, criteria and procedures for operation of mobile home park facilities are contained in NAVFAC P-352.

f. Planning for Community Facilities

Planning for family housing should not be limited to the provision of dwelling units only. The effect of the proposed housing on community services and facilities, driving patterns, and highway and station road capacities should also be considered. This requires a community survey to determine what additions or changes will be necessary as a result of increase Navy family housing. Requirements developed by this review should be covered by line item submissions to the appropriate command to sponsor such items in the military construction program at the same time that the housing is programmed.

The need for school facilities and school bus services to serve the housing area should be determined in coordination with local school authorities. When additional facilities will be needed, the local education board should be

furnished the substantiating data which is needed for forwarding to the Department of Education. It should be recognized that local and Federal officials face leadtime considerations in programming, funding and construction of school facilities, similar to those encountered in housing construction. Therefore, timely and continuing exchange of information is essential to planning for any required school facilities.

In planning Navy housing projects, the need for commercial facilities must be considered. Sales and service facilities should be sought first through private sources. If private investors do not develop the necessary facilities, action should be taken for their provision by the Navy.

The Family Housing Management Account provides a formal and uniform means of funding playground and other recreation facilities for family housing projects with new construction or as improvements to existing housing projects. The following principles govern the provision and support of recreation facilities in connection with Navy developed and controlled family housing areas:

-Maximum use should be made of general community resources, existing station facilities, and school recreation facilities within reasonable distance;

-Sufficient open areas within the housing project boundaries should be provided for further development for recreation use, in accordance with sound site planning for the size of the project;

-Minor facilities for preschool children such as fencing and paving of small areas and installed equipment such as sandboxes and slides should normally be provided adjacent to apartment-type dwellings. (Refer to NAVFAC P-383, "Children's Play Areas Need Equipment".)

- Improvements to recreation facilities at existing housing projects, and for new housing, other than the minor facilities mentioned above, should be by construction project, with the same submission and approval requirements, funding limitations, etc., as currently apply to improvement projects; and

- Recreation construction items for existing and future housing projects, should be considered for programming under the FHMA provided the facility is located within the family housing area and will be used solely by the occupants of the family housing area.

Funds available to the FHMA are extremely limited, and are programmed to satisfy only the most urgent requirements. Therefore, major facilities such as swimming pools, bowling alleys, field houses, and community centers which provide universal usage, should be programmed as part of general station facilities, and not as family housing facilities.

4. Financial Management (CECOS, 1979)

a. Budgeting

(1) Background. The current structure for financing the Department of Defense Family Housing Program has its foundation in Public Law 87-554 which was passed 27 July 1962. Congressional action initiated the Defense Family Housing Management Account (FHMA,D) which preserves normal Congressional review and control while consolidating all costs associated with military family housing, DOD instructions identified the scope of the Defense Family Housing Program to include those properties and undertakings financed from the FHMA,D.

(a) The Defense Family Housing Property Account includes the following properties under the jurisdiction of the DOD:

-All types of family dwelling units and mobile home park facilities irrespective of who occupies the housing and whether the housing is located on or off station, owned, leased, occupied or unoccupied;

-Non-dwelling buildings directly associated with family dwelling units or a family housing area;

-Roads, driveways, walks and utility systems which primarily serve family housing units or areas;

-The grounds area of a group of family housing units and the yards of dispersed family housing units or areas;

-Community facilities which are integral to a family housing area and are available for use only by family housing area residents;

-Fixtures and other appliances or equipment of a housing unit which are either integral components or movable items; and

-Furniture, furnishings and other personal property which are directly associated with providing and supporting family housing units.

(b) The Defense Family Housing Property Account excludes the following:

-Arterial roads, public walks and utility lines/mains which may pass through or front family housing locations, but which serve such locations incidental or secondary to serving other station requirements;

-Facilities provided for temporary family occupancy in a manner similar to hotels or motels;

-Community facilities which are not integral to a family housing area, or are available for use by other than family housing area residents;

-Educational facilities;

-Telephone and other communication facilities installed in a family housing unit for official use, and unofficial telephone facilities installed in family housing units;

-Community antenna television distribution service by governmental (other than DOD), commercial, cooperative or private enterprises; or

-Military Assistance Program properties.

(2) Five Year Defense Plan (FYDP). The Five Year Defense Plan is the foundation of the planning, programming and budgeting system. All budgeting and execution is accomplished and controlled by this plan. It establishes financial levels for future program years and unless a program is in the FYDP, it has no official status.

Family housing programs achieve reality through the budget process by which funds are provided for personnel, material and facilities. The first program year of the FYDP becomes the basis for the annual budget submission. To make this transition, it is necessary to translate programming goals into an appropriation or budget structure. After Congressional approval, the budget becomes the framework for day-to-day management of programs.

(3) Budget Considerations. It is emphasized that the budget is not simply an annual slice of the long range plan. Its preparation involves penetrating re-examination of data resulting from the planning and programming processes. Additional consideration is given to the following factors:

-Occupancy rates;

-Inactivation or disposal of family housing facilities;

-Acquisition or construction of additional family housing facilities;

-Change in the size of the administrative staff or its function;

-Anticipated base closure or increased/decreased size of tenant activities;

-Number of changes of occupancy;

-Elimination of substandard or inactive units;

-Change in utility rates;

-Revised wage rates for Federal or local employees;

-Revised overhead rates for NIF or NIF-PWC activities;

-Inventory of equipment;

-Planned shop workload;

-Availability of prior year funds; and

-Seasonal variations in maintenance shops' or administrative support offices workload.

(4) Budget Preparation. Detailed instructions concerning budget policies and preparation guidelines for completing Family Housing Budget Estimates are issued to each activity annually by its Housing Management Center (HMC). The PWO, not the Comptroller is responsible for translating budgetary guidance into operating procedures for planning, programming and budgeting a fiscal year's requirements. Simple projection of past experience is not valid estimating. Plans for future programs, levels of effort and cost trends must be applied. The accumulation of information and data for use in budget preparation should be a year-round process, not a last minute frantic effort. The information should be gathered, tabulated, and summarized periodically by category of quarters and Budget Line Code to ensure adequate support or justification of budget estimates.

(5) Budget Review. The HMC will review each activity budget and require justification for instances where line item increases are in excess of normal inflationary rises from

one year's budget/costs and the following year's budget. Activity budgets are summarized for submission to Commander, NAVFAC.

b. Funding

(1) Family Housing Management Account, Defense. The FHMA,D is the uniform account structure used by the various service components within the Department of Defense as the management vehicle for financing construction, operation and maintenance, and debt service of family housing assets. Subordinate or transfer accounts separately finance Navy and Marine Corps Family Housing.

Annually the Congress authorizes and appropriates funds for the Family Housing Program. The Act provides funds in three major functional categories: Construction; Operation and Maintenance; and Debt Payment. The amounts of money for these categories are identified for each military department, but are consolidated for DOD use.

(a) Construction. Includes cost for acquisition, construction and replacement of family housing facilities; preliminary planning and design; upgrading marginal public quarters; major improvements for family housing units; and rental guarantee agreements.

(b) Operations and Maintenance. Includes costs for maintaining and repairing family housing properties; providing utility and other services including administration of Government-owned family housing, in-leasing of privately-owned housing, and provision of furniture and equipment.

(c) Debt Payment. Includes the annual principal and interest payments on acquired Wherry and Capehart housing, payments to the Commodity Credit Corporation and FHA, and Servicemen's Mortgage Insurance Premiums.

(2) Activity O&M Funds. NAVFAC allocates activity FHMA,D funds to the Engineering Field Divisions (EFDs) on NAVCOMPT Form 140, Reimbursable Work Request, to each activity having management responsibility for operating and maintaining family housing within their cognizance. The Work Request will indicate activity Annual Planned Figures (APFs) and quarterly breakdowns by family housing Budget Projects.

(a) Budget Projects. Budget projects for operation and maintenance include:

-BP-10 Housing Management Utilities Service;

-BP-11 Housing Referral;

-BP-15 Leasing;

-BP-20 Maintenance; and

-BP-96 Reimbursables.

(b) Limitations. Local transfers between budget projects are effected only by EFDs, subject to the following limitations which may not be deviated from without prior NAVFAC approval:

-Allottees may not decrease the amount of BP-20;

-There will be no transfers between BP-96 and any other Budget Project.

c. Cost Reporting and Analysis

The Housing Cost Report (HCR) is the only report that reflects how an activity's housing funds have been used.

The HCR can be a useful tool for reviewers at an activity and any other levels of command having a management interest in the cost of housing, but there have been problems with the HCR because the Authorized Accounting Authority (AAA) has had problems getting the data to the computer that produces the HCR.

(1) The Comptroller Department or fiscal office at an activity, has responsibility for submission of the Housing Cost Report. In the mechanics of "plugging" numbers in "blanks", it is very easy to transpose figures. A copy is to be provided to the Housing Office. A facesaving procedure is to have the Housing Manager review the report prior to submission.

(2) The HCR is an accrued cost report. In order that all costs are included, the Housing Office should prepare a feeder report of the data not yet available to the Accounting personnel. The Housing Manager should ensure that costs, work units, and consumption data are accurate prior to submission of the report.

(3) Activity HCRs are used by the Facilities Services Office, Port Hueneme (FACSO) in preparing the Family Housing Operation and Maintenance Management Report. This report is then utilized in comparing planned expenditures with annual expenditures. The Housing Manager is expected to use the Family Housing O&M Management Report in budget preparation since the HMC and NAVFAC use the report when reviewing an activity's budget submission.

(4) Funds are provided an activity based on costs reported on the Housing Cost Report. For example, in the utilities area, a budget may have indicated that costs for electricity were $14.50 per MKWH, while the Cost Report indicates that only $12.25 per MKWH was paid. An explanation of the difference should be made. A recommended method is to use a cross reference footnote on reports. For example, the footnote could explain that the price of $14.50 per MKWH was budgeted because a rate increase of a certain amount is to take effect on such a date. When HMC or NAVFAC reviews the activity's budget request for electrical power, they will have accurate and complete data upon which to evaluate the request.

(5) Budget estimates and the Housing Cost Reports are used to measure a Housing Office's performance. There is no other information available to higher levels of command. Consequently, when dealing with the higher echelons, accurate cost reports are essential.

5. Assignment, Occupancy and Utilization

a. Assignment

Assignment is the official action which confers to an individual the right to occupy Government-owned or controlled housing. The activity Commanding Officer is authorized to assign eligible personnel to Government housing, with the exception of Flag quarters, which assignment authority is retained by the CNO.

It is Navy policy to ensure the application of consistent and equitable designation and assignment practices.

Family housing assets are to be utilized to the maximum extent, to the end that Navy controlled housing assets will make the maximum contribution to the mission of the Navy and the welfare and morale of Navy personnel. All eligible personnel, afloat or shore based, shall have equal opportunity for assignment of family housing, compatible with available assets and due consideration for rank, billet, and family size. In the assignment of family housing there shall be no discrimination because of race, color, religion, sex or national origin.

Activities managing family housing are required to maintain waiting lists of all personnel eligible for housing. The lists are compiled by grade and rank, date of eligibility, and bedroom requirements. Detailed guidelines for maintaining, updating and stabilizing waiting lists are contained in OPNAVINST 11101.13.

The PWO should closely monitor the operation of the waiting list. Nothing can be more devastating to morale and confidence in the command, than an improper adjustment of the waiting lists. The lists are public record and closely watched by those who are waiting assignment. Adjustments should be kept to a minimum, and only in cases of severe hardship or when in the best interest of the Government, should they be made. In some cases the PWO may want to relieve the Housing Manager of making the final decisions on special cases. The PWO or the Commanding Officer may make the decision, unless the command has another manner in which to make the decisions (i.e., review board). In all circumstances the decisions should be

based upon established command policy. Any change in housing waiting lists should be well documented, including a Memorandum to File regarding the circumstances of the change. This data will provide answers to Congressional inquiries which occur in many instances.

b. Occupancy Conditions and Procedures

The Commanding Officer is responsible for issuing rules and regulations related to occupancy of Navy housing. These will cover subjects listed below and other subjects as considered appropriate:

- -Occupant maintenance responsibilities;
- -Requirement to notify the housing management of any change in eligibility status for public quarters;
- -Requirement that occupants give advance written notice of intent to vacate including dwelling number, intended date of vacating, date unit ready for inspection, reason for vacating, and forwarding address;
- -Requirement to notify housing management of births, deaths, retirements, or contagious disease in the family;
- -Rules or regulations governing police and fire protection; garbage and trash collection; storage of recreation vehicles, boats, trailers or similar items; alteration or installation of shelves or similar items by occupant; pets; traffic; possession of firearms; carrying and use of BB guns, firearms or similar items; storage of combustible items; possession on housing premises of Government property without permission; civil defense and action during disaster emergencies; and rights of management to inspect;
- -Behavior of occupants and responsibilities for acts of children and guests;
- -Lost, damaged, or destroyed Government property; or
- -Conditions under which rights to occupancy will be terminated.

A method recommended by the Housing Administration Manual (NAVFAC P-352) by which to inform occupants of their responsibilities, and all rules and regulations that they must comply with is through the occupant's handbook. The handbook can reduce the number of complaints that a PWO receives. In the interest of the activity, there must be a continuing program to keep occupants informed, through the use of newsletters, bulletins and pamphlets or possibly a "Town Meeting."

Even though the occupant's handbook may mention it, the PWO should ensure that a separate instruction is issued concerning what requirements the occupants must fulfill in order to alter, renovate or add on to their quarters at their own expense. The instruction should state the following:

- That plans should be submitted to the PWO for approval;
- That the occupant submit a construction plan, stating who is to do the work and how long construction will take;
- That the work may be inspected by the PWD;
- That no materials or labor from the PWD will be utilized;
- That the occupant will be required to restore the quarters at their own expense to its original condition and/or the occupant may request from the PWO that the alteration, renovation or addition remain and become a permanent part of the quarters.

Failure to promulgate guidelines can lead to many problems. For example, if an occupant was to build an addition onto their quarters without submitting the plans for review by the PWD the whole appearance of the quarters could be changed, poor quality construction or materials could lead to safety hazards, injury or damage to occupants and furnishings, and

maintenance problems. If other residents should see what another occupant is doing they may be compelled to do the same which can just give the PWO more problems. Therefore, the PWO should develop guidelines, get the support of the CO, promulgate the guidelines and do not deviate from them if at all possible. It is better to make the effort to prevent and control the problems now, than to wait and try to manage them later.

c. Retention and Termination

(1) Retention of Quarters. Normally, personnel assigned to Government quarters retain occupancy right until detached for other duty, retirement, release from active duty, or their occupancy is terminated in the best interests of the Government.

For reasons of hardship or emergency, an extension may be granted in accordance with OPNAV instruction 11101.13.

Personnel occupying Government quarters who receive orders for unaccompanied tours, are frequently permitted to retain the quarters, depending upon the availability of housing at the activity. For other exceptions refer to OPNAVINST 11101.13.

(2) Termination of Quarters. Termination is the written action which terminates an individual's entitlement to occupy quarters. Termination is implemented when a military member is reassigned, transferred, discharged or retired from the Navy. The member's Commanding Officer shall notify the command having cognizance over family housing of the impending

action. The occupant also is responsible for notifying the housing office of the intent to vacate.

When an occupant does not observe and comply with the established rules and regulations or violates the conditions of the occupancy agreement, he/she may be ordered to vacate. If a tenant should refuse to vacate as requested and cites the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, the Commanding Office must apply for leave of court to evict. Then the Commanding Officer must request the U.S. District Attorney to maintain an action or proceeding to recover possession of the housing unit. If eviction of an occupant becomes necessary, justification for this action must be documented and retained in command files for two years. Additional information is contained in NAVFAC P-352.

d. Utilization

(1) Goals. Utilization is a measure of an activity's effectiveness in maximizing the occupancy of its housing assets. The OSD has established utilization goals for family housing of 98 percent and 93 percent occupancy for adequate and substandard housing, respectively. Attainment of these goals will require that, generally, most activities must achieve occupancy rates of 99% for adequate and 95% for substandard quarters to compensate for activities having unavoidable vacancies due to major repairs or improvements, or an abnormally high turnover in personnel. Therefore, each activity should designate goals of 99 and 95% against which they will measure their own performance. Occupancy rates for

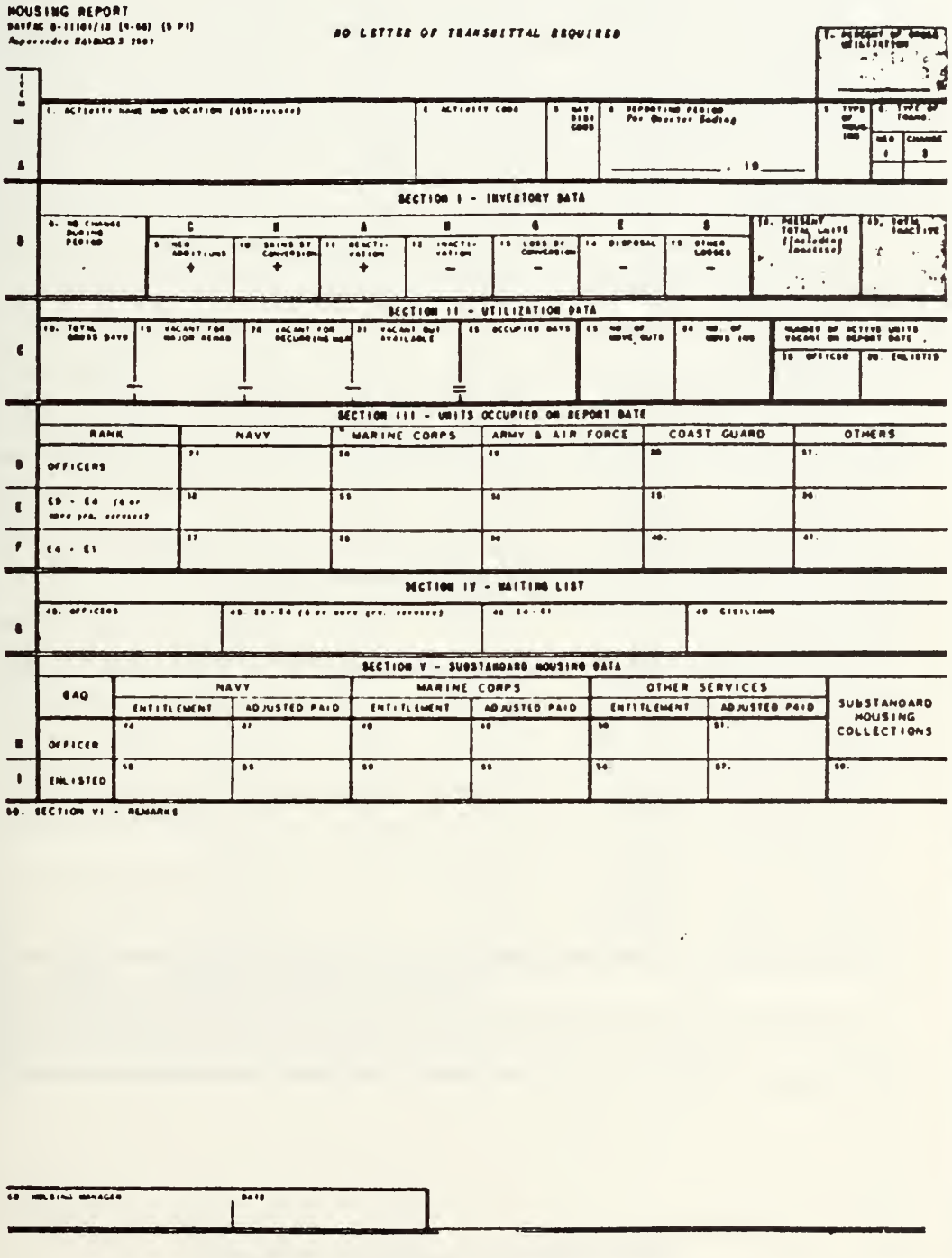
military families are expected to be significantly higher than those normally experienced in commercial rental housing. The reason for this is that in management of military housing:

- There are ample advance notices of occupants moving out;
- Involuntary assignments to quarters may be made by the Services;
- Military housing is constructed only where needed to fill a programmable deficit; and
- A reservoir of military personnel are living in private community housing and/or awaiting assignment to quarters.

(2) Reports. There are two primary reports prepared by the Housing Office that will provide the PWO and higher authority with data on the utilization of the activity's housing assets.

(a) NAVFAC Form 8-11101/13 "Housing Report" (Figure IX-7) is a semi-annual report that is reviewed by NAVFAC. It reports utilization and BAQ forfeiture for various categories of housing. If the reported occupancy rate is lower than 98%, then a written explanation is required. The data for this report is obtained from the Family Housing Vacancy Log and the Housing Report Worksheet (Figures IX-8 and IX-9).

(b) DD Form 1411 "Statement of Facilities and Assignment" (Figure IX-10) is an annual report prepared as of 31 December for review by NAVFAC. It provides a detailed listing of units by size (bedroom), by grade for which designated, and actual occupancy. The data for this report is obtained from the Navy Real Property Inventory. Ensure that the Housing Manager has reconciled the data on the DD1411 with the NAVFAC Form 8-1101/13s.



HOUSING REPORT

NAVFAC 8-11101/13 (9-68) (5 PI)

NO LETTER OF TRANSMITTAL REQUIRED

SECTION I - INVENTORY DATA

SECTION II - UTILIZATION DATA

SECTION III - UNITS OCCUPIED ON REPORT DATE

RANK	NAVY	MARINE CORPS	ARMY & AIR FORCE	COAST GUARD	OTHERS
OFFICERS	31	32	33	34	35.
E9 - E4 (4 or more yrs. service)	36	37	38	39	40
E4 - E1	37	38	39	40.	41.

SECTION IV - WAITING LIST

42. OFFICERS	43. E9 - E4 (4 or more yrs. service)	44. E4 - E1	45 CIVILIANS

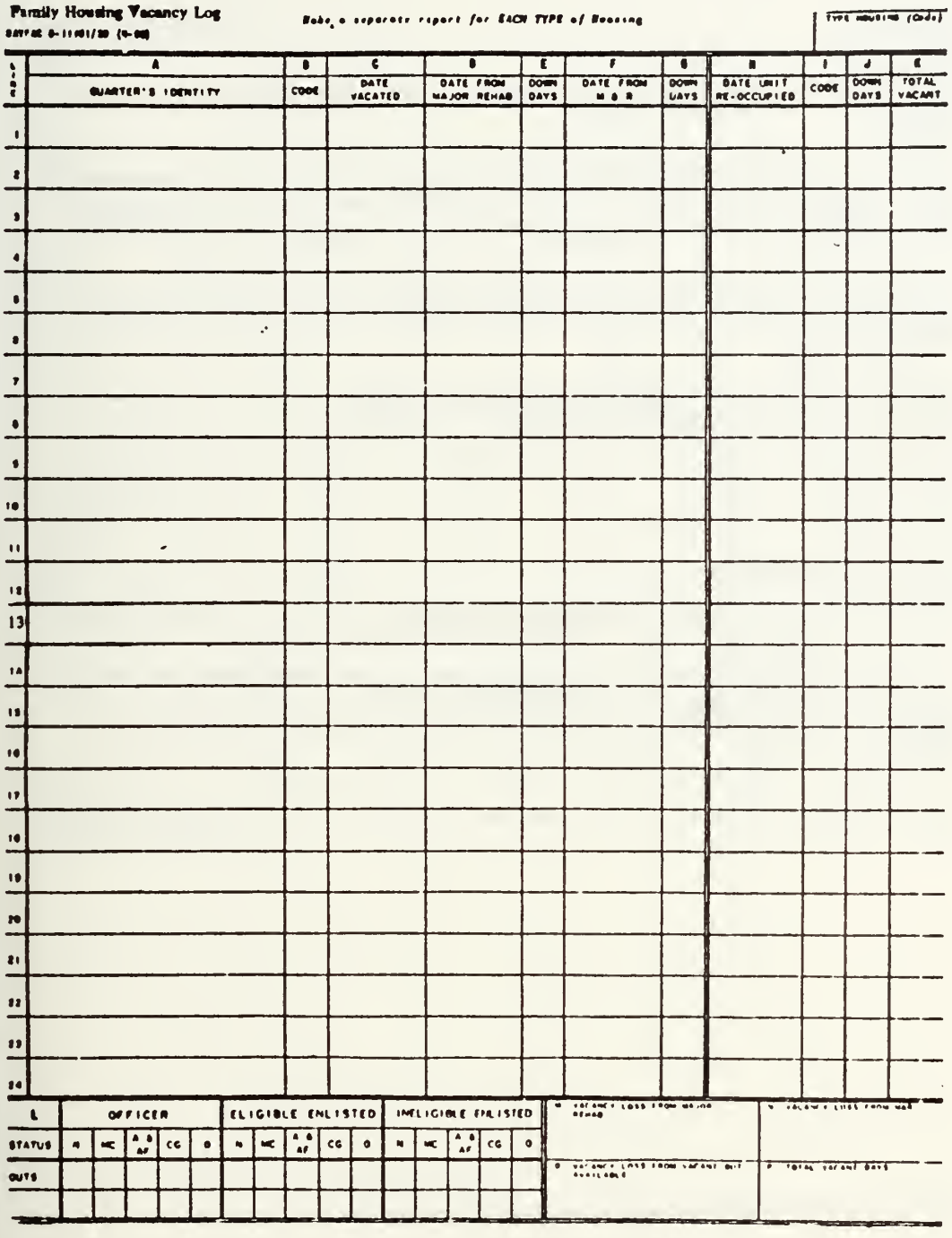
SECTION V - SUBSTANDARD HOUSING DATA

	BAQ	NAVY		MARINE CORPS		OTHER SERVICES		SUBSTANDARD HOUSING COLLECTIONS
		ENTITLEMENT	ADJUSTED PAID	ENTITLEMENT	ADJUSTED PAID	ENTITLEMENT	ADJUSTED PAID	
H	OFFICER	46	47	48	49	50	51.	
I	ENLISTED	53	55	56	57	58	59.	60.

60. SECTION VI - REMARKS

HOUSING REPORT

Figure IX-7



Family Housing Vacancy Log

Make a separate report for EACH TYPE of Housing

Type housing (Code)

LINE	A QUARTER'S IDENTITY	B CODE	C DATE VACATED	D DATE FROM MAJOR REHAB	E DOWN DAYS	F DATE FROM M & R	G DOWN DAYS	H DATE UNIT RE-OCCUPIED	I CODE	J DOWN DAYS	K TOTAL VACANT
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											

L	OFFICER					ELIGIBLE ENLISTED					INELIGIBLE ENLISTED				
STATUS	N	NC	A & AF	CG	O	N	NC	A & AF	CG	O	N	NC	A & AF	CG	O
OUTS															

M VACANCY LOSS FROM MAJOR REHAB

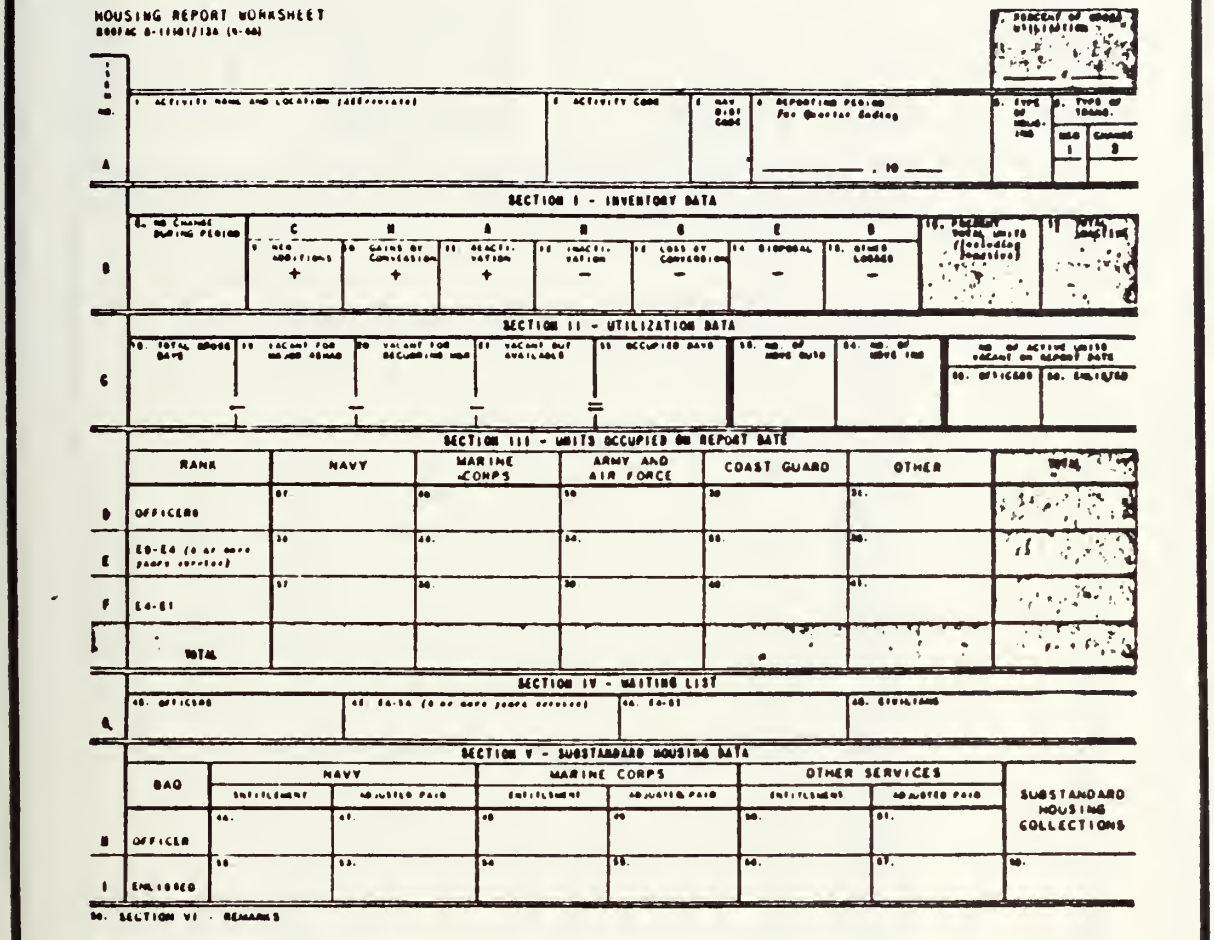
N VACANCY LOSS FROM M&R

O VACANCY LOSS FROM VACANT UNIT AVAILABLE

P TOTAL VACANT DAYS

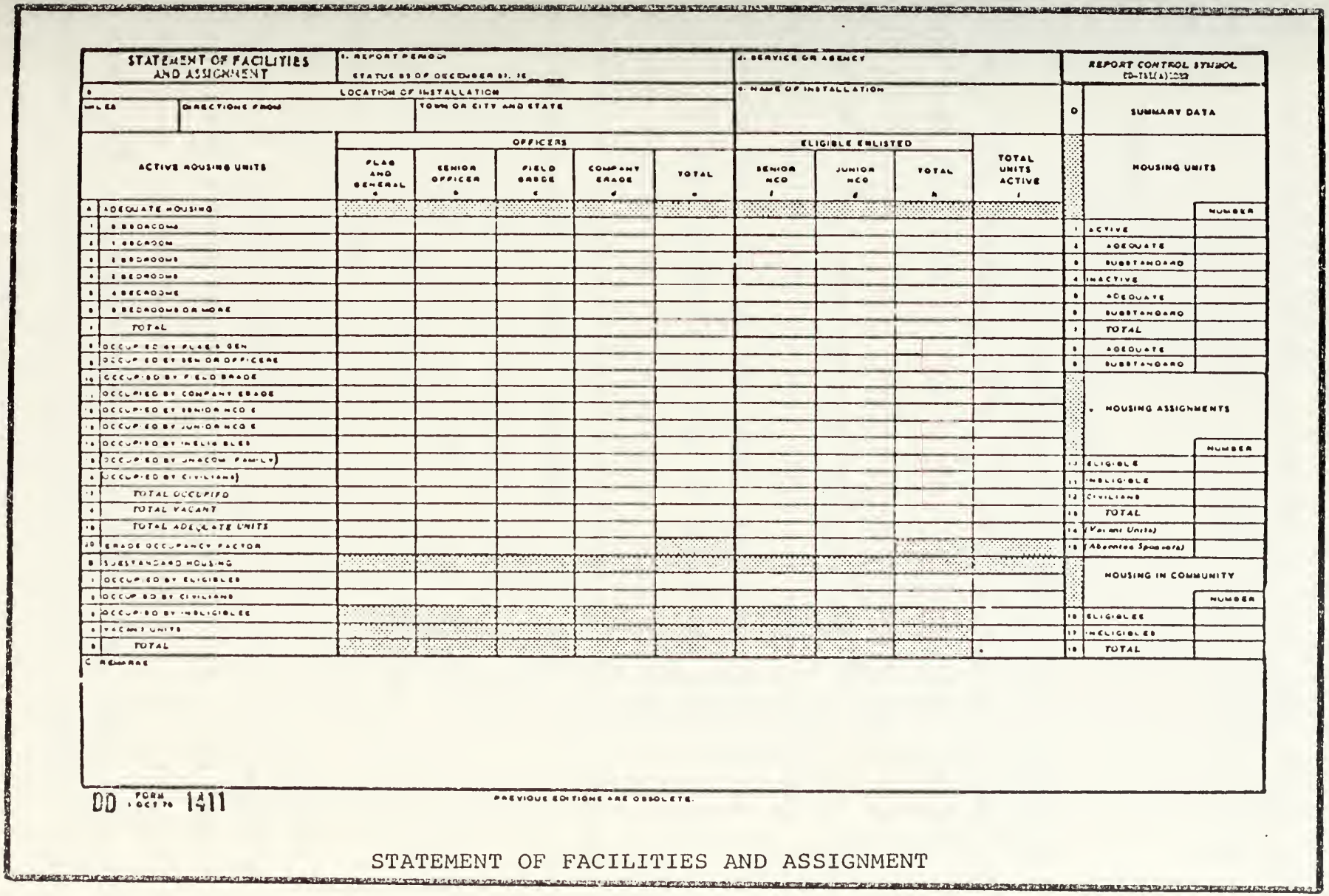
FAMILY HOUSING VACANCY LOG

Figure IX-8



HOUSING REPORT WORKSHEET

Figure IX-9



STATEMENT OF FACILITIES AND ASSIGNMENT

STATEMENT OF FACILITIES AND ASSIGNMENT	b. REPORT PERIOD (STATUS AS OF DECEMBER 31, 19__)	d. SERVICE OR AGENCY	REPORT CONTROL SYMBOL (DD-I&L(A)1252)
a. LOCATION OF INSTALLATION (NAME)	DIRECTIONS FROM	TOWN OR CITY AND STATE	c. NAME OF INSTALLATION

	ACTIVE HOUSING UNITS	OFFICERS: FLAG AND GENERAL (a)	OFFICERS: SENIOR OFFICER (b)	OFFICERS: FIELD GRADE (c)	OFFICERS: COMPANY GRADE (d)	OFFICERS: TOTAL (e)	ELIGIBLE ENLISTED: SENIOR NCO (f)	ELIGIBLE ENLISTED: JUNIOR NCO (g)	ELIGIBLE ENLISTED: TOTAL (h)	TOTAL UNITS ACTIVE (i)
A	ADEQUATE HOUSING									
1	0 BEDROOMS									
2	1 BEDROOM									
3	2 BEDROOMS									
4	3 BEDROOMS									
5	4 BEDROOMS									
6	5 BEDROOMS OR MORE									
7	TOTAL									
8	OCCUPIED BY FLAG & GEN									
9	OCCUPIED BY SEN OR OFFICERS									
10	OCCUPIED BY FIELD GRADE									
11	OCCUPIED BY COMPANY GRADE									
12	OCCUPIED BY SENIOR NCO'S									
13	OCCUPIED BY JUNIOR NCO'S									
14	OCCUPIED BY INELIGIBLES									
15	OCCUPIED BY UNACOM FAMILY									
16	OCCUPIED BY CIVILIANS									
17	TOTAL OCCUPIED									
18	TOTAL VACANT									
19	TOTAL ADEQUATE UNITS									
20	GRADE OCCUPANCY FACTOR									
B	SUBSTANDARD HOUSING									
1	OCCUPIED BY ELIGIBLES									
2	OCCUPIED BY CIVILIANS									
3	OCCUPIED BY INELIGIBLES									
4	VACANT UNITS									
5	TOTAL									

C. REMARKS

D	SUMMARY DATA	
	HOUSING UNITS	NUMBER
1	ACTIVE	
2	ADEQUATE	
3	SUBSTANDARD	
4	INACTIVE	
5	ADEQUATE	
6	SUBSTANDARD	
7	TOTAL	
8	ADEQUATE	
9	SUBSTANDARD	
E	HOUSING ASSIGNMENTS	NUMBER
10	ELIGIBLE	
11	INELIGIBLE	
12	CIVILIANS	
13	TOTAL	
14	(Vacant Units)	
15	(Abortive Sponsors)	
F	HOUSING IN COMMUNITY	NUMBER
16	ELIGIBLES	
17	INELIGIBLES	
18	TOTAL	

DD FORM 1 OCT 70 1411 PREVIOUS EDITIONS ARE OBSOLETE.

STATEMENT OF FACILITIES AND ASSIGNMENT

Figure IX-10

Summary reports are prepared by NAVFAC for the entire Navy housing program and submitted to SECDEF. Then machine print-outs are prepared by NAVFAC and provided to each EFD and activity for their use.

6. Operating Services

a. Scope of Operating Services

The scope of operating services to be considered in Navy family housing will vary with the kind of dwelling, and may change from time to time in ways not directly connected with the housing. It is housing management's responsibility to determine what services are required, and assure that they are made available by the most efficient means. Normally, although the Navy does not pay taxes, and lacks legislative authority to make payments in lieu of taxes, the Navy receives the same services as are rendered by local governments to its citizens from local tax funds or assessments. However, there are instances where local governments lack capacity or equipment to furnish these services to the Navy, or where the services furnished to local citizens are less frequent or otherwise do not meet Navy requirements. In these instances, the only method by which Navy can secure satisfactory service, if it is not feasible to provide it from Navy sources, is to contract either with local municipalities or private service companies. Every effort should be made to secure for the Navy the same services as are furnished to local citizens and to fit these to Navy needs; in those comparatively rare cases where contracting appears to be the only practicable solution, NAVFAC should be consulted for advice and guidance.

b. Fire Protection

Some local governments recognize that fire protection is an "across-the-board" local responsibility and that tax exemption does not disqualify Federal property from equal service. It is the policy of the Navy to seek a status equivalent to that enjoyed by other tax exempt organizations and institutions. This relationship may be established for the station as a complete entity. However, housing is often located outside station boundaries, and in some instances in different political subdivisions, requiring separate negotiation. It is important therefore to establish clearly, preferably in writing, the conditions under which the local fire department accepts responsibility, and equally important to reaffirm such agreements regularly, since local legislation, administrative regulations and budgets may be changed without notice. However, under Pub-Law 46, 84th Congress, 69 Stat. 66, the armed services are authorized to negotiate agreements for the exchange of available fire protection services. The Navy may thus obtain fire protection from a local fire station, in exchange for the services of its station fire protection. If the service available to the local taxpayer is insufficient to meet the Navy requirements, it may then be possible to contract for the additional service required. The extent of reliance on the community fire department is determined by the district fire marshal in the light of the above considerations, together with an analysis of the local department organization, equipment, distance, and communication system, to determine its adequacy. Payment for

services of a local or nearby fire department is permissable by negotiated contract.

c. Police Protection

The Judge Advocate General has furnished NAVFAC with a statement discussing Navy jurisdiction over family housing projects situated on Government-owned land. The following principles are applicable to all Navy-controlled housing on Government-owned land:

- -State jurisdiction over Government-owned land. This must be determined by legal analysis of the facts of acquisition;
- -State may reserve certain rights. These vary between states and may even vary within a state depending on such factors as timing and purpose of acquisition;
- -Determination of jurisdiction status. Counsel should be requested to provide written opinions on which management may rely;
- -Criminal jurisdiction. May be exclusively state, concurrent, or exclusively Federal; and
- -State penal laws and Federal laws. Applicability and whether enforceable by state or Federal authorities will depend on the findings and opinion of counsel from State jurisdiction and determination of jurisdiction.

The special police powers of military personnel normally apply only to persons subject to the Uniform Code of Military Justice. However, under special circumstances such powers may be used on the grounds of military necessity and protection of Government property.

Housing management should delineate police responsibility and authority in the handling of disputes and complaints, and enforcing regulations, and establish the appropriate points of referral for matters beyond these limits.

Occupants should be advised of the source of their police protection. Accidents, violence, and emergencies for which regulations and procedures are clear will constitute only a small fraction of the cases that will come to the housing manager. Many cases can be resolved at an early stage if properly handled.

d. Street Cleaning

The general conditions for obtaining community street cleaning services are the same as those applying to fire protection. Local conditions will decide schedules for street sweeping and snow removal. The order of priority is safety (prevention of accidents due to ice, accumulations of wet leaves, glass, oil, and like traffic hazards, and maintenance of way for fire and other emergency traffic), health (garbage and trash spillage) and appearance. Classed with regular street cleaning, but at different intervals, is cleaning catch basins, drainage ditches, and other parts of the storm drainage system.

e. Refuse Collection and Disposal

The general method of obtaining this service is by negotiating a contract with the local community administration or a private contractor. The local regulations such as on container weights and sizes, pickup location, trash and garbage separation, will require occupant indoctrination and some policing, since the usual penalty for disregarding rules is discontinuance of services to the location of the infraction.

When community or private service is not available, or is not adequate, the housing area may be included in the refuse collection or disposal program of the station, or separately arranged for by use of station forces. Further information is available in NAVDOCKS MO-213.

f. Public Transportation

The PWO, with assistance of the EFD, will determine the necessity for and degree and source of service. This may be negotiated with local bus and taxi companies or may require Navy vehicles. The PWO sould be aware that it is illegal to provide Navy transportation (i.e., bus service) to quarters for officers.

The routes, stops, stands, and scheduling will be negotiated with the local companies or determined for Navy vehicles. Housing service will differ from other on-station service, since it will supply the needs of residential family life such as shopping, school, and social activities. There are problems in providing maximum convenience at least cost, and the creation of additional traffic hazards in an area with many children.

g. Pest Control

Preventive and corrective measures to control household pests range from simple common-sense actions to complex actions by technicians who are required to have approved supervision and specialized training in handling poisons. Management is responsible for change of occupancy fumigation and control measures directed against fungi, insects, redents and

other pests within family housing units, and for scheduled or recurring pest control measures during occupancy in buildings housing four (4) or more families. Pest control measures during occupancy in all other dwelling units are the responsibility of the occupants. In addition to direct measures to control pests, management should provide support in the form of educational efforts to assure high standards of cleanliness by occupants, and by correction of deficiencies in screening, garbage and trash elimination, drainage of stagnant water, and treatment of breeding spots.

7. Furnishings and equipment

a. Furnishings

Defined as furniture, household equipment and similar movable items necessary for a reasonable degree of livability in quarters. The term, furnishings, excludes household goods (tableware, utensils) except for special allowances, and also excludes permanently installed equipment (disposals, water heaters, dishwashers), which are considered a part of quarters.

(1) Policy within CONUS. Personnel assigned to Navy housing in CONUS are expected to use their own personal furnishings, except for unusual circumstances like transient, short tour, special command or student quarters.

(2) Policy for Overseas. Government furnishings are provided for overseas quarters at the discretion of NAVFAC and subject to the availability of inventory. Navy quarters may be unfurnished or partially furnished in areas where normal duty tours are four years or longer. Furnishings will be

provided in areas where NAVFAC determines that it is advantageous to the Government in terms of costs, equity, and morale. It is allowable to provide furnishings for up to ten percent of quarters for transient use in overseas areas.

When Government furnishings are provided in overseas areas, the amount of personal household goods shipped at Government expense will be limited. The weight limitations are contained in the Joint Travel Regulations.

b. Equipment

Defined as ranges, refrigerators, freezers, clothes washer and dryers. Ranges and refrigerators are provided for in all Government-owned or controlled housing. The conditions under which the other Government-owned equipment items can be authorized are contained in OPNAVINST 11101.19, OPNAVINST 11101.32 and NAVFAC P-352.

Unless authorized by the activity Commanding Officer, personally-owned equipment cannot be utilized in lieu of Government-owned equipment. Where authorization is granted, occupants should be advised that they are responsible for the maintenance and repair of personally-owned equipment.

c. Flag and Commanding Officers Quarters

The basic policy and administration of the furnishings program to flag and Commanding Officers' quarters except for additional allowances intended to exchange hospitality requirements of the billets, are contained in OPNAVINST 11101.19 and NAVFAC P-352.

Procurement of furnishings for CONUS flag and Commanding Officers' quarters is not authorized unless specifically approved. The maximum utilization of personal furnishings is encouraged. Special allowances are applied to entertainment areas which are defined as entrance foyer, living room, dining room, library, breakfast nook and enclosed porch.

The policy for overseas quarters is the same as for CONUS except that furnishings may be provided in all first floor entertainment areas and not more than four bedrooms of flag and Commanding Officers' quarters.

d. Procurement Planning

Each activity should have a planned replacement program for equipment and authorized furnishings. The replacement program should be based on actual requirements rather than some fixed formula or routine replenishment cycle. Actual requirements will be based on items that are beyond economical repair. OPNAVINST 11101.32 should be used to determine if repair or replacement is necessary.

Annual guidance from HMC on procurement of replacement furnishings will be issued to activities in the budget call. Each activity should maintain experience tables on the kinds and quantities of items in demand for quarters at that activity. The experience tables are used to guide inventory management decisions. Funding of procurement will be specifically noted at budget allotment time or by separate correspondence. Procurement will be through GSA.

8. Maintenance and Repairs

a. Policy

Family housing shall be maintained to a standard which will provide adequate and livable accomodations in good condition, protect the facilities from deterioration, and ensure economical maintenance and operating costs. All expenditures of public funds for the maintenance of public quarters should be proper and prudent. This applies especially to painting, equipment repairs, grounds, alterations, additions, and improvements and other support costs attibutable to occupant use of quarters assigned to personnel of senior rank and position. Excessive and unusual costs which would not normally be incurred by the occupant as a homeowner should be avoided, since such costs can result in undesirable criticism of the Navy. Maintenance funds shall be expended on facilities only when there is a justified need, and will not be used solely on the basis of occupant's rank or billet.

b. Maintenance Planning and Management

Basic in planning for maintenance are availability of funds, availability of station forces or capability of contractors, weather conditions, availability of units for maintenance, and actions necessary to minimize disturbance, annoyance, or hazards to occupants. The housing manager should plan for maintenance, giving attention to the above considerations. The occupant must be considered in planning maintenance more than is necessary in the maintenance of other facilities. Emphasis should be placed on economic evaluations of proposed maintenance and improvements.

Economic evaluations must consider repair versus replacement in terms of anticipated period of use. The concept of planning and scheduling of maintenance must be applied at all levels from normal recurring maintenance to programs to be accomplished over a period of several fiscal years. Only in this way can "stop-gap" maintenance be eliminated and effective use made of limited funds.

An effective maintenance management system for family housing requires a sound, long-range (five year) maintenance plan that will provide a projection of maintenance required for family housing. The plan is a necessary tool for both management and budgeting. It can be simple, allow for cyclic maintenance on a rational basis, and be compatible with the Navy's maintenance management system, even in the face of what might appear to be a highly variable workload. Maximum use shall be made of engineered performance standards in determining the dollars to be invested over cycle spans. The economics of contracting large segments of the maintenance work or contracting seasonal peak loads only shall be fully and objectively analyzed, giving due regard to the availability and capability of contractual forces. The maintenance plan shall be confined to requirements rather than previous or expected levels of expenditure. The maintenance plan must provide:

- -A systematic method for identifying persistent maintenance problems, minimizing marginally productive costs and encouraging continuing improved managerial methods;
- -A means by which it can be shown that funds should be directed to approved projects rather than continued to be utilized for marginally productive routine maintenance;

-A documented record of managerial actions which will provide valuable information to housing and maintenance managers and to higher authority in assessing the overall capability and the potential workload.

In order to concentrate command attention toward good management procedures and optimum use of available resources, the collection of data and portrayal of this data should demonstrate the effectiveness of the family housing maintenance management system. To encourage a realistic family housing maintenance plan, Commanding Officers are given sufficient latitude to adapt the plan to the needs of their activity, particularly in the identification of major non-recurring items to be afforded intensive management attention and in setting the time frame for accomplishment. To be successful, the family housing maintenance requirements and coordination between the housing management office, the PWO, and other concerned parties.

The objective of the maintenance plan is to:

-Identify and summarize the true and essential dollar support level required to provide decent family housing consistent with the anticipated economic life of the facility; and

-To establish an execution plan for work accomplishment within available funds for the current year and provide a basis for identifying funding requirements in the following budget year. To this end, the maintenance plan shall include essential improvements, alterations, or major repairs which will provide the basis for the submission of the annual repair and improvement program.

The maintenance plan for an activity shall be accomplished according to the concepts, procedures, and controls of the maintenance management systems, continuous inspection, and engineered performance standards systems described in

NAVFAC MO-321, MO-322 and NAVDOCKS P-700.0. The NAVFACENGCOM maintenance management system is a prerequisite for effective operation of family housing.

A high vacancy rate represents a monetary loss to the Government. Poor service has an adverse effect upon the morale, welfare, and performance of Navy personnel. These conditions will be minimized if housing maintenance is performed in a planned and scheduled manner as provided under the maintenance management system. The type of work normally encountered in housing maintenance is more uniform and more highly repetitive than most Public Works Department jobs.

c. Occupant Maintenance

The Navy's policy is one of where occupants are responsible for performing the routine recurring housekeeping tasks that would normally be performed by a private homeowner and the Government will be responsible for tasks that require a skilled craftsman or mechanic.

Each activity should have a program that attempts to develop and foster the interests and participations of the occupants in maintaining the physical properties of Navy housing. Developing an attitude of pride in the Navy housing community is a real challenge.

The extent of the occupants' responsibilities must be identified and clearly defined. The most effective means of disseminating this information is through the Occupants' Handbook.

d. Contract Maintenance

Maintenance or repair services will be provided by contract under the authority of, and in accordance with the procedures set forth in the Armed Services Procurement Regulation (paragraph I-322) when:

- An economic study indicates an advantage to the Government without impairment of the quality of maintenance and not precluded by other factors; and

- Performance of specific items of maintenance or repair, or the provision of specific services are beyond the capability of Government forces due to lack of specialized skills, equipment or capacity, or requirements are for short-term periods of peak workload. In this regard, the availability and suitability of service contracts through the General Services Administration and other agencies, for such work as equipment and furniture maintenance and repair, should be considered. Care must be exercised to distinguish the nature of these contracts in terms of construction and repair work, subject to the Davis-Bacon Act provisions, versus such work as janitorial, cleaning, and trash removal, not under the Davis-Bacon Act. Comprehensive project maintenance contracts may include some of both types of work, but the minor in construction or repair work must be truly incidental to and minor in nature to the recurring maintenance work of the contract. Guide specifications for drafting such contracts are in TSM-M2B-Maintenance of Housing--Lump Sum (see NAVFAC P-35, Specifications Used in Contracts for Public Works).

Consideration should be given to multi-year maintenance contracts if it can be demonstrated that they will result in significant advantage to the Government by reducing costs, increasing competition and improving performance. It is possible to advertise a one or two year contract with a second and third year renewal option. This is an incentive to the contractor to do good work.

e. Liability for Damage or Loss

Assigned personnel in possession of Government housing and furnishings therein are responsible for loss or damage

arising from willful or malicious acts or negligence. The Commanding Officer of an installation or his designee shall take aggressive action, on a timely basis with effective follow-up, to collect all claims for reimbursements for damage or loss to family quarters.

The Commanding Officer having cognizance over housing should take appropriate action to have occupants exercise reasonable care of the Government property in their custody and secure reimbursement for loss or damage to such property as a result of willful or malicious acts or negligence. Such actions include proper training, cost consciousness programs, administrative admonitions and reprimands, and disciplinary action.

A voluntary consent to checkage of pay should be obtained only after loss or damage is established and where the cost for which the occupant should be held responsible has been determined. Requiring that an occupant sign a consent to checkage of pay as a condition precedent to occupancy of public quarters cannot be construed as a voluntary action. Accordingly, a consent to checkage of pay obtained in this manner is of doubtful legality and such a procedure should not be used. Occupancy of public quarters by service personnel is not subject to any contractural arrangement relating to the housing as such. Collections for loss or damage from military personnel is accomplished primarily as a part of the general discipline and control of behavior of such personnel.

The Judge Advocate General has consistently held, and controlling JAG opinions and Comptroller General decisions

reaffirm the following as being applicable to reimbursement for loss or damage to Government property:

- -The current pay of a member of the Navy cannot be checked for indebtedness to the United States, arising on account of loss of, or damage to, Government property, in the absence of either specific statutory authority or the consent of the member involved in such action;

- -When the serviceman does not voluntarily consent to checkage or otherwise make payment for damage or loss, the matter will be referred to the Judge Advocate General with a full statement and recommendation that the claim be forwarded to the Department of Justice for appropriate action; and

- -The Department of Justice has indicated that claims involving small amounts should not be referred to that Department because the cost to the Government of prosecution is more than the amount collected. In general, claims for less than $50 should not be submitted to the Judge Advocate General for transmittal to the Department of Justice. Pursuant to enclosure (1) of NAVCOMPTINST 4365.1, the JAG is delegated authority to attempt the collection of claims, compromise claims, or cause collection action to be suspended or terminated.

In addition to the above considerations, the following procedures are prescribed in connection with actions by the Commanding Officer to obtain reimbursement for damage to a Navy housing structure, or damage to or loss of Government furnishings and equipment:

- -The Commanding Officer is to request reimbursement when loss or damage to Government property was the result of willful or malicious acts or negligence. Action should be taken to assure that the serviceman is aware of his/her rights and responsibilities when request for reimbursement is made;

- -In case of loss or damage to real or personal Government property, the occupant may elect to repair or replace the property and thereby be relieved of further liability, or he may make payment for damages. Repairing or replacing the property is preferred where the replaced or repaired property is equivalent in all respects to that lost or damaged. Where the occupant elects to have

repairs accomplished by a commercial contractor or other person, the occupant should furnish the Commanding Officer with a copy of a written agreement with such contractor or person providing for conformance to established Navy standards and subject to Navy inspection and acceptance before the occupant is relieved of his/her responsibility. Where acceptable commercial contractors are not available, and if the Commanding Officer determines that it is in the interest of the Government to accomplish the repair work in Navy facilities and that no issue of competition with private industry will arise, he may authorize the Navy Exchange or Special Services Office to establish a special deposit account in the Navy working fund under the authority of paragraph 035875, NAVCOMPT Manual. The occupant then may reimburse this account in advance of the work on the basis of the Government estimate of the cost. The special deposit account is billed by the performing activity for the actual cost of the work. Any balance remaining after completion of the work is returned by the account holder to the occupant payee. This procedure is applicable primarily at isolated activities and some overseas locations. If the occupant elects to reimburse the Government directly, the amount for which liable may be determined according to a formula in which the loss is equal to the cost of repair or replacement less depreciation or by other satisfactory means. Once the repair or replacement is accomplished or damages paid and accepted, the serviceman shall be relieved of all liability;

-When all attempts to collect for loss or damages have been unsuccessful, the Commanding Officer should refer such cases to the JAG for collection following the procedures outlined in paragraph 043200-043203, Volume 4, NAVCOMPT Manual.

The management may, in its discretion, establish specific charges for specific losses or damage, especially when this property includes such items as curtain rods, window shades, window glass, beds, chairs, kitchen appliances, and mirrors. Alternatively, the charges may be determined by a formula in which the damage or loss is considered equal to the cost of repair or replacement less depreciation. Whatever procedure is used, a cost list for typical kinds of damage or loss should be posted on the housing office bulletin board and published in the tenant handbook.

In the absence of specific statutory authority, sums collected as damages may not reimburse the appropriation from which the property was purchased, repaired, or maintained, but must be deposited in the Treasury as miscellaneous receipts.

f. Reports and Records

The detailed cost collection system will be sufficiently complete to collect family housing maintenance costs to be reported. Such a job order structure will also permit accumulation of cost data to support budget requests. Cost accounts and requirements for the reporting of family housing costs are identical to those used in the development of the budget and are identified in paragraph 037402 of the NAVCOMPT Manual. Chapter 5 of this Manual will contain additional guidelines. Uniform and timely data must be maintained to produce suitable output indicators for program planning and management review. The cost for maintenance and repair of family housing is the total cost of all goods, services (personnel and contractual), and minor equipment consumed or issued for use in carrying out these activities.

(1) Maintenance Management Reports. Maintenance management reports required by NAVFAC MO-321 shall be prepared for family housing in the same manner as for all other activity facilities and shall be reviewed by the housing division.

(2) Job Costs. Job costs shall be provided to the activity housing division on a routine recurring basis for use in determining future items of work to be authorized for accomplishment.

(3) Facility History Records. Facility history records shall be maintained by the housing division. The housing division shall be fully cognizant of the status of these records at all times.

(4) Plant Account Records. Plant account records shall be maintained by the administrative division or such other division as is charged with responsibility for their upkeep. The housing division shall be fully cognizant of the status of these records at all times and ensure consistency with inventory reports submitted in accordance with Appendix B of NAVFAC P-352.

(5) Annual Repair of Improvement Project Submission. Annual repair and improvement project submission shall be in accordance with Chapter 13 of NAVFAC P-352. The housing division shall recommend the relative order of priority to the PWO.

(6) Deferred Maintenance and Repair. Deferred maintenance and repair items or projects for which the cumulative total estimated cost of all such items at an installation will exceed $50,000 per program year will be validated by EFD prior to inclusion as a program requirement by the HMC. Lists of deferred maintenance items will be maintained by each activity. Program review data will be supplied annually with budget data requests. Summary data is required from HMC's for each category of family housing (as described in Volume 3 of the NAVCOMPT Manual) by geographic areas (CONUS, U.S., overseas, foreign, and worldwide).

9. Repair and Improvement Projects

a. Policy

Special projects for major repairs and improvements, including energy conservation projects, are intended to be a means of providing authorization of work where the scope exceeds the authority delegated to the Commanding Officer of the shore activity. It is expected that all essential maintenance, repair, and improvement work within the Commanding Officer's authority will be included in the maintenance plans, and funding requirements will be included in the regular annual operations and maintenance budget.

b. Criteria

The criteria for all repair and improvement projects, including those approved by Commanding Officers, are defined in Chapter 13 of NAVFAC P-352. Several of the more significant ones are listed below:

- -No alterations, additions or improvements which will enhance the completed quarters beyond the scope of the original construction contract may be performed on or made to newly constructed or converted quarters within three years of beneficial occupancy date of the quarters;
- -The cost of repair and incidental improvements to inadequate public quarters must be amortized over a two year period;
- -There is a known continuing requirement for the facility;
- -The proposed project covers the total scope of the work required and will provide a complete, usable facility.

c. Special Projects

A special project is defined as any project submitted for improvement or repair of family housing undertaken

to satisfy a requirement at an activity concerned, regardless of the number of structures involved.

Special projects may be submitted for the following types of work:

- -Deferred maintenance work of such urgency and/or scope that it cannot reasonably be scheduled and/or funded for accomplishment in the regular maintenance program;
- -Major repairs, the scope of which exceeds the activity Commanding Officer's authority;
- -Unforeseen repairs, such as storm or fire damage which should not await regular scheduling; and
- -Improvements including alteration, additions, extensions, and expansions.

d. Repair Projects

A repair project is defined as the restoration of a facility to such condition that it may be effectively utilized for its designated purpose, by overhaul, reprocessing or replacement of constituent parts or materials that have deteriorated by the elements or usage and have not been corrected through maintenance.

By Public Law 90-110, Section 610, the Congress established a cost limitation of $10,000 on expenditures for the repair of a dwelling unit. The policy governing repair projects was developed by SECDEF. Table IX-1 lists the costs limitations and approval authority the Commanding Officer has for repair projects per unit in any 12 month period.

TABLE IX-1

COST LIMITATIONS PER UNIT FOR

REPAIR PROJECTS

Rank or Rate	Co-Limitation
Flag	$3,700
Captain	3,000
CDR - LCDR	2,700
LT, LT(JG), ENS, WO	2,500
Enlisted	2,000

The Commanding Officer may approve any one repair project costing up to $10,000, however, the cost limitations per unit cannot be exceeded. Any repair project exceeding the authority of the Commanding Officer has to be submitted to NAVFAC via the appropriate HMC.

The HMC has authority to approve repair projects costing up to $20,000, with the limitation of a maximum of $5,000 for any one family unit. If the repair project exceeds HMC's authority, the project is forwarded to NAVFAC.

Commander, NAVFAC may approve repair projects costing up to $200,000 provided that in any one fiscal year:

- Total project cost for any one family unit shall not exceed $10,000; or
- Total costs for any facility other than the dwelling unit shall not exceed 50% of the replacement value of a complete facility.

SECDEF has approval authority for repair projects costing up to 100% of the replacement value for housing

facilities other than dwelling units and for projects costing over $200,000.

Any repair projects costing more than $10,000 for one unit must be authorized by Congress.

e. Improvement Projects

An improvement is defined as alterations, conversions, modernization, and addition-expansion extensions.

The basic intent of the improvement program is to encourage retention of personnel in the service. Therefore, the program is weighted in favor of improvements to enlisted quarters and junior officer quarters. Secondary benefits derived from the program include reduction of operating and maintenance costs. The improvement program will include projects for:

-The alteration and expansion of existing housing units;

-The improvement of grounds and ground facilities for those areas carried on the family housing plant account;

-Improvements to existing community facilities and utilities systems;

-New community facilities required for the sole use of occupants of family housing;

-For evaporative cooling, air conditioning and mechanical ventilation;

-Pollution abatement projects which apply solely to family housing;

-Television antenna systems for family housing; and

-Energy conservation.

NAVFAC is responsible for reviewing, processing, budgeting for and the management of design and construction of

all authorized improvement projects. Improvement projects are limited by the cost constraints and square footage restrictions as set forth in NAVFAC DM-35.

f. Project Development and Submission

(1) Development. The purpose of a special project is to provide approval and one-time funding of repair and improvement work to upgrade adequate public quarters, and to accomplish work affecting health, safety or operation of the activity. The requirement for a special project will usually be the result of the annual inspection summary, the maintenance plan, or damage by fire or storm.

(2) Submission. All special projects for repair or improvement of family housing properties are submitted on DD Forms 1391 and 1391C, and Cost Estimating Forms NAVDOCKS 2417. Consult NAVFAC P-352 for guidance in the submission of the forms.

To ensure orderly and timely processing of special project requests, review the requests for adequacy and completeness of information and justification submitted. Omission of pertinent information will cause delays in processing that can result in cancellation or deferral of projects.

The submission of photographs in connection with improvement projects is encouraged. Also, each project submission should be accompanied by drawings which are sufficiently detailed to permit reviewing authorities to fully understand the intent of the project.

Projects will be submitted in duplicate to the cognizant EFD as soon as they are completely developed. The following procedures apply to project submittal:

- -Projects will be transmitted individually from the originating activity to the appropriate EFD with NAVFAC 8-11101/18 (4-68), Family Housing Projects Transmittal, Endorsement, and Review (Figure IX-11). No other transmittal letter is necessary;
- -The EFD will forward the original and one copy of each project to NAVFAC upon completion of EFD review and validation;
- -EFDs will provide local instructions as to the number of copies and desired submission dates to satisfy local procedures; and
- -Advance copies of projects will not be forwarded to NAVFAC.

10. Self-Help Program (CECOS, 1979)

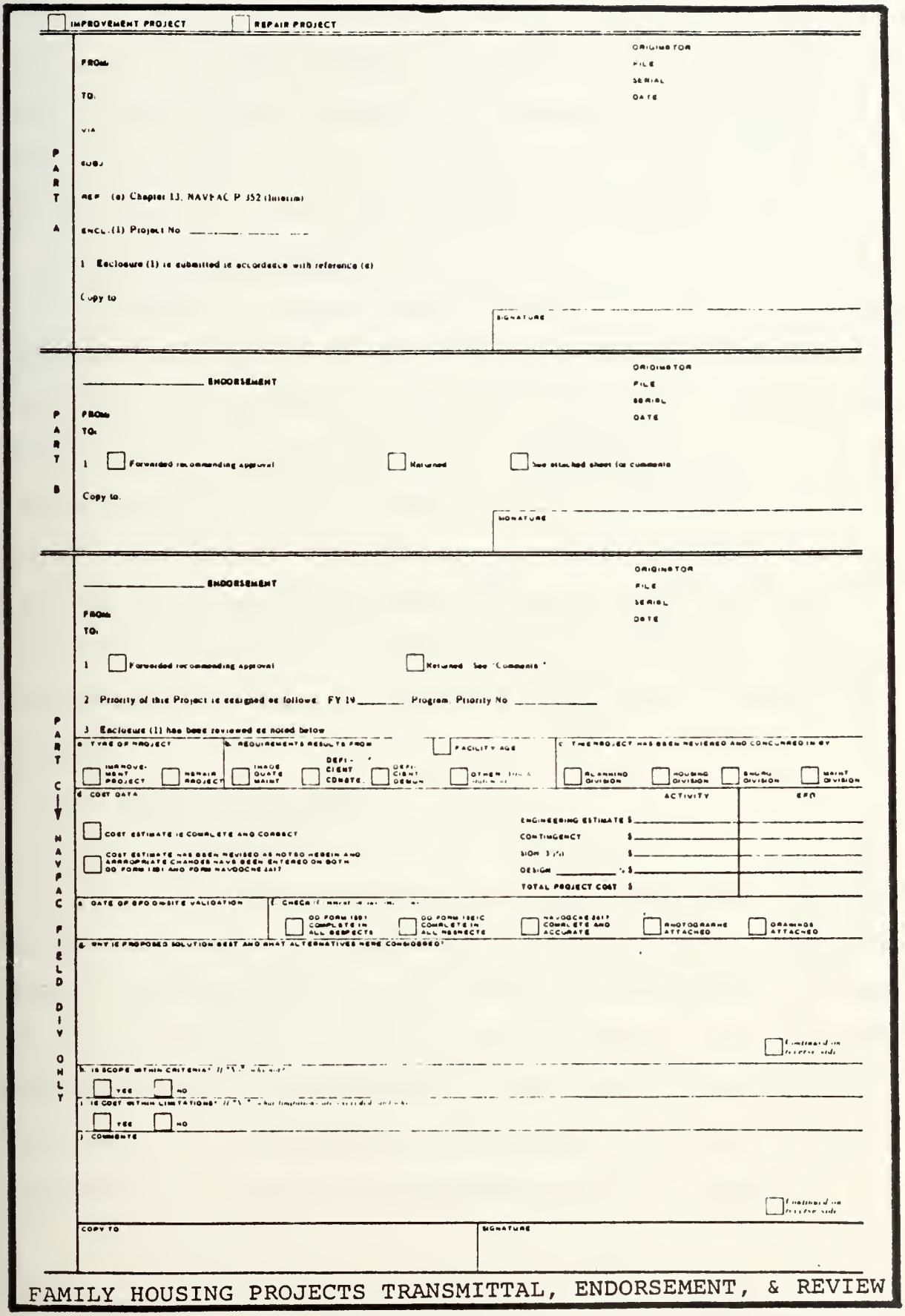
The primary goal of the CNO's Self-Help Program is to improve personnel support, welfare and recreational facilities at shore activities. PWOs get directly involved because they have the responsibility of providing technical direction, most often through available Seabee skills. Very often the PWO is required to provide and/or make arrangements for building materials and equipment.

The PWO should ensure that all projects conform to applicable fire, safety, building codes and the activity's Master Development Plan.

B. OTHER HOUSING(CECOS, 1979)

1. Temporary Lodging

Defined as accommodations, generally with housekeeping facilities, which are rented to authorized personnel up to a



IMPROVEMENT PROJECT ☐ REPAIR PROJECT ☐

PART A

FROM:

TO:

VIA

SUBJ

REF (a) Chapter 13, NAVFAC P 352 (Interim)

ENCL.(1) Project No ____-____-____

1 Enclosure (1) is submitted in accordance with reference (a)

Copy to

ORIGINATOR
FILE
SERIAL
DATE

SIGNATURE

PART B

_____ ENDORSEMENT

FROM:

TO:

1 ☐ Forwarded recommending approval ☐ Returned ☐ See attached sheet for comments

Copy to.

ORIGINATOR
FILE
SERIAL
DATE

SIGNATURE

PART C (NAVFAC FIELD DIV ONLY)

_____ ENDORSEMENT

FROM:

TO:

1 ☐ Forwarded recommending approval ☐ Returned See "Comments"

2 Priority of this Project is assigned as follows: FY 19____ Program Priority No _____

3 Enclosure (1) has been reviewed as noted below

a TYPE OF PROJECT: ☐ IMPROVEMENT PROJECT ☐ REPAIR PROJECT

b. REQUIREMENTS RESULTS FROM: ☐ IMAGE QUATE MAINT ☐ DEFICIENT CONDITION ☐ DEFICIENT DESIGN ☐ FACILITY AGE ☐ OTHER (Explain)

c THIS PROJECT HAS BEEN REVIEWED AND CONCURRED IN BY: ☐ PLANNING DIVISION ☐ HOUSING DIVISION ☐ ENGRG DIVISION ☐ MAINT DIVISION

d COST DATA

ACTIVITY | EFD

☐ COST ESTIMATE IS COMPLETE AND CORRECT

☐ COST ESTIMATE HAS BEEN REVISED AS NOTED HEREIN AND APPROPRIATE CHANGES HAVE BEEN ENTERED ON BOTH DD FORM 1391 AND FORM NAVDOCKS 2417

ENGINEERING ESTIMATE $ _____
CONTINGENCY $ _____
SIOH 3 (%) $ _____
DESIGN _____ % $ _____
TOTAL PROJECT COST $

e DATE OF EFD ON-SITE VALIDATION

f CHECK (If more than one, so indicate)
☐ DD FORM 1391 COMPLETE IN ALL RESPECTS ☐ DD FORM 1391C COMPLETE IN ALL RESPECTS ☐ NAVDOCKS 2417 COMPLETE AND ACCURATE ☐ PHOTOGRAPHS ATTACHED ☐ DRAWINGS ATTACHED

g WHY IS PROPOSED SOLUTION BEST AND WHAT ALTERNATIVES WERE CONSIDERED?

☐ Continued on reverse side

h. IS SCOPE WITHIN CRITERIA? (If "NO" explain)

☐ YES ☐ NO

i IS COST WITHIN LIMITATIONS? (If "NO" explain limitations exceeded and why)

☐ YES ☐ NO

j COMMENTS

☐ Continued on reverse side

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FAMILY HOUSING PROJECTS TRANSMITTAL, ENDORSEMENT, & REVIEW

Figure IX-11

maximum of 30 days. Included are motels, hotels, mobile homes, cottages, apartments, and guest houses. Temporary lodging is operated by the Navy Exchange Program under the cognizance of Naval Supply Systems Command as a nonappropriated fund activity. These facilities are made available to military personnel on temporary active duty, leave, or involved in PCS moves.

2. Transient Housing

Defined as housing made available to personnel on ships undergoing overhaul at shipyards distant from homeports. These facilities are operated as nonappropriated fund activities and rental rates are established on a "break-even" basis so as to defray the total costs of operation and maintenance on the units. Facilities in this category include inadequate public quarters which have been removed from the family housing inventory and approved by the CNO for use as transient housing. The operation of these facilities is governed by BUPERSINST 11101.3B.

3. Bachelor Housing

a. Background

The PWO should be aware of a significant difference between the Family Housing Program and the Bachelor Housing Program. The difference is in the manner of management. The Family Housing Program is administered by NAVFAC, where the Bachelor Housing Program is administered by the major claimants. The responsibility for determining requirements, planning, and programming do not follow the management chain of command.

b. Requirements, Planning, and Programming

Requirements are determined by a Bachelor Housing Survey. The survey is initiated by CNO usually on an annual basis. The data from the survey is presented to Congress in support of proposed bachelor housing projects.

The Chief of Naval Personnel (CNP) advises the CNO on matters concerning Personnel Support Facilities. The CNP develops integrated priority lists for troop housing, messing and other support and service facilities in the multi-year and annual Military Construction Program (MCON).

The responsibility of initiating, developing and submitting a MCON project for the activity's deficiencies in bachelor housing belongs to the PWO. Also, the PWO is responsible for the maintenance of bachelor housing which is as equally important as Family Housing because it directly affects the welfare and morale of many individuals.

The PWO should be familiar with the following:

-OPNAVINST 11012.2 which sets forth criteria for Navy bachelor housing construction;

-NAVFAC DM-36, Troop Housing, which establishes criteria for planning and designing of bachelor housing;

-NAVFAC DM-37, Community Facilities, and NAVFAC P-272 which contains criteria for bachelor housing support facilities; and

-NAVFACINST 11101.91 which establishes bachelor housing requirements.

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CHAPTER X

UTILITIES

A. RESPONSIBILITIES AND ORGANIZATION----------736

1. Responsibilities----------736

a. Commanding Officer----------736

b. Public Works Officer----------736

c. Utilities Division Director----------736

d. Maintenance Division Director----------737

e. Utilities Engineer----------737

f. Maintenance Control Division Director---------738

g. Engineering Division Director----------738

h. Engineering Field Division----------739

i. Commander, NAVFAC----------739

2. Organization----------740

B. PRODUCTION OR PURCHASE OF UTILITIES----------740

1. Utility Service Requirements----------740

2. Production----------744

a. Local Production----------744

b. Sale of Utilities----------744

3. Purchase----------745

a. Contracting for Utilities----------745

b. Contract Review----------746

C. UTILITY RATES----------747

1. Accounting----------747

2. Activity Rate----------747

3. Standard Charges----------748
4. Special Charges----------748
D. MAINTENANCE, REPAIR AND IMPROVEMENT----------749
1. Objective----------749
2. Maintenance Standards----------750
3. Maintenance Planning----------751
4. Inspections----------751
5. Work Scheduling----------752
6. Special Projects----------752
7. Improvements----------753
E. CONSERVATION----------755
1. Energy Conservation Program----------755
a. In-House Support----------755
b. EFD Support----------755
2. Utility Targets----------756
F. EMERGENCY PROCEDURES----------757
G. UTILITY SYSTEMS----------759
1. Steam----------759
2. Electricity----------761
a. Voluntary----------763
b. Mandatory----------764
c. Involuntary or Sequential Rotation----------764
3. Water----------766
4. Mobile Utilities Support Equipment----------768
5. Telephone Service----------768
6. Refuse Disposal----------771
7. Other Utilities----------772

BIBLIOGRAPHY----------774

SUGGESTED REFERENCES----------774

X. UTILITIES

A. RESPONSIBILITIES AND ORGANIZATION

1. Responsibilities

a. Commanding Officer

The Commanding Officer has the ultimate responsibility for ensuring that funds allocated for the operation and maintenance of utilities are effectively managed. Instructions and regulations prescribed by the activity's chain of command will assist the Commanding Officer.

b. Public Works Officer

The PWO is responsible to the Commanding Officer for the operation, distribution, maintenance and repair of the utility systems. Specifically, this requires the PWO to provide utilities in the proper quantities, at the lowest cost and at the right time and place as required to ensure that the activity is fulfilling its mission requirements.

Depending on the size of the activity, the PWO may be required to become involved with the day-to-day operations and the overall coordination of activities within the department. If the activity is large, the PWO may have an APWO and possibly a Shops' Engineer to whom some of the activities can be delegated.

c. Utilities Division Director

The Utilities Division Director (UDD) is responsible for the operation and maintenance of all activity utilities

plants and distribution systems. The UDD is responsible for providing required utilities services where and when they are wanted and in the most efficient manner possible. Duties of the UDD include:

- -Operation of the utility systems at target conditions and to monitor plant efficiency and performance;
- -The direction and supervision of all operator and preventive maintenance inspections on utilities equipment and systems when performed by utilities personnel;
- -Provide technical advice and recommendations to the PWO on the planning and scope of maintenance to be performed on utilities plants and systems;
- -The scheduling of equipment shut-downs for the accomplishment of inspection and maintenance;
- -The inspection and approval of all maintenance work performed on utilities equipment and systems; and
- -The organization of the division for the effective accomplishment of assigned responsibilities.

d. Maintenance Division Director

The Maintenance Division Director (MDD) is responsible for the maintenance of all activity utilities, except where maintenance is accomplished by utilities personnel. Any maintenance performed (by the maintenance division) on utilities equipment or systems must be approved by the UDD. The MDD is responsible for the maintenance of the facilities housing utilities, but should coordinate and arrange all projected work with the UDD before proceeding with any work in the utilities areas.

e. Utilities Engineer

The Utilities Engineer serves as a staff assistant to the PWO, APWO or to the UDD. The Utilities Engineer is

responsible for providing technical assistance in the operation, maintenance, utilization and conservation of utilities. Through the application of engineering research techniques, the Utilities Engineer strives to attain increased production efficiency, reduced distribution losses, the elimination of usage waste and the procurement of utilities at a minimum cost.

The Utilities Engineer must research all aspects of utilities systems, including metering and measurement, testing, operating methods, utilities plant maintenance programs, distribution characteristics and consumer usage requirements. This must de done for electricity, steam heating, air conditioning, water, sewage, wire communications, compressed air and gas systems. Findings from the research will provide information and guidance for operation and maintenance personnel. For a complete discussion of the Utilities Engineer's duties, refer to NAVFAC P-96.

f. Maintenance Control Division Director

The Maintenance Control Division Director (MCDD) is a staff advisor to the PWO and is responsible for planning the maintenance workload plan and for screening and classifying all work requests prior to their submission to the shops for accomplishment. With respect to utilities, the MCDD plans for and schedules the inspection of utilities facilities in conjunction with the Utilities Engineer and the UDD.

g. Engineering Division Director

The Engineering Division Director is a staff assistant to the PWO responsible for utilities matters pertaining

to engineering studies concerning preliminary designs and estimates for special repair and improvement projects, and engineering designs, including the development of plans and specifications. These studies are normally coordinated with the Utilities Engineer.

h. Engineering Field Division

The EFDs, acting as extensions of NAVFAC, provide middle management for all utilities programs. They are responsible for directing the implementation of programs developed at the NAVFAC level, and for providing assistance and direction to the activity as required for the continuance of these programs. This assistance is provided in:

- -Planning to meet facility requirements;
- -Programming to improve utilization, operations and maintenance;
- -Procurement and sale of utilities services;
- -Technical analyses and counsel;
- -Application of utility cost accounting procedures;
- -Establishment of proper information flow, including logs and reports;
- -Preparation and use of management reports;
- -Analysis of reports for the detection and anticipation of problems and savings opportunities; and
- -Selection of corrective action most applicable to the problem at hand.

i. Commander, NAVFAC

The Commander, NAVFAC, is the technical advisor to the Chief of Naval Operations for utilities management, and is responsible for ensuring that public utilities at all Naval

activities are properly planned, managed and maintained. This responsibility includes establishing operating and maintenance standards and procedures pertinent to utilities programs, and for developing management reports and technical guides.

2. Organization

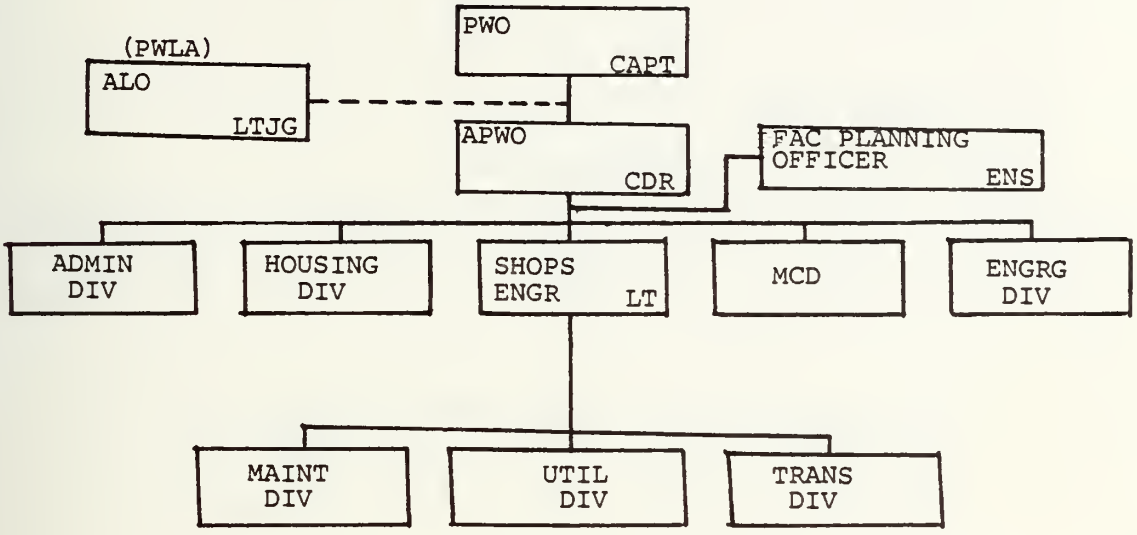
The Utilities Division is a production oriented or operated element within the PWD. The organization of the division depends upon the number of services provided and the complexity of the systems operated. Details on organization structures for large or small PWDs may be found in NAVFAC P-318. See Figure X-1 for examples of how the Utilities Division can be included in the PWD.

B. PRODUCTION OR PURCHASE OF UTILITIES

1. Utility Service Requirements

Before deciding whether to produce or purchase services, the activity's requirements for various utility services to fulfill the activity's mission requirements must be translated into common planning terms (i.e., KWH, pounds of steam, gallons of water). Once the requirements are determined, then a decision to produce locally or purchase by contract, or a combination of the two must be made. Most often at shore activities the method by which utilities are provided has long been decided upon and as PWO there is no alternative but to accept it. In such cases the PWO's efforts should be towards better and more efficient management of the existing systems.

MODULE 1



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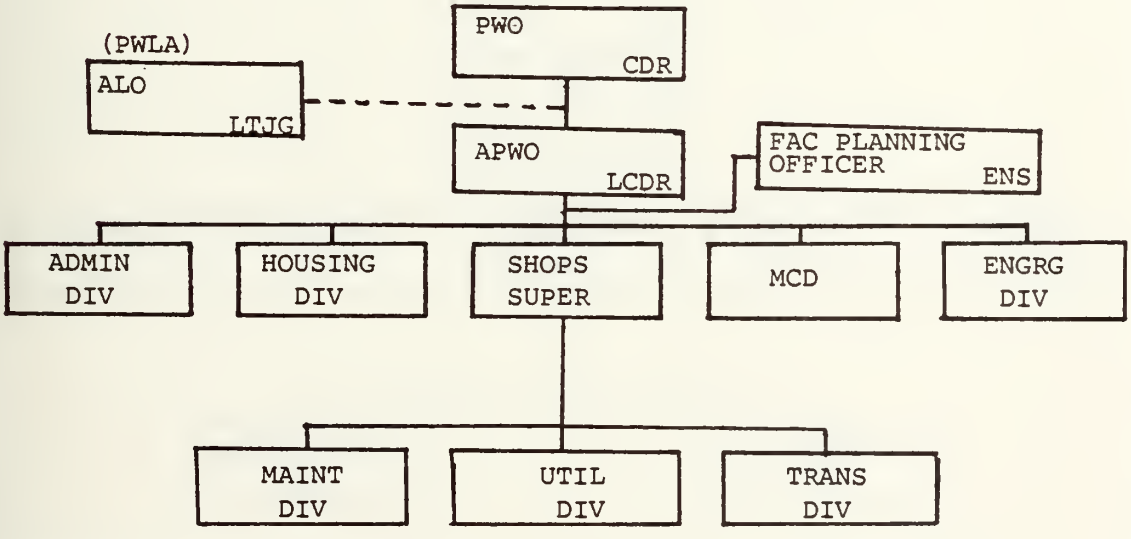
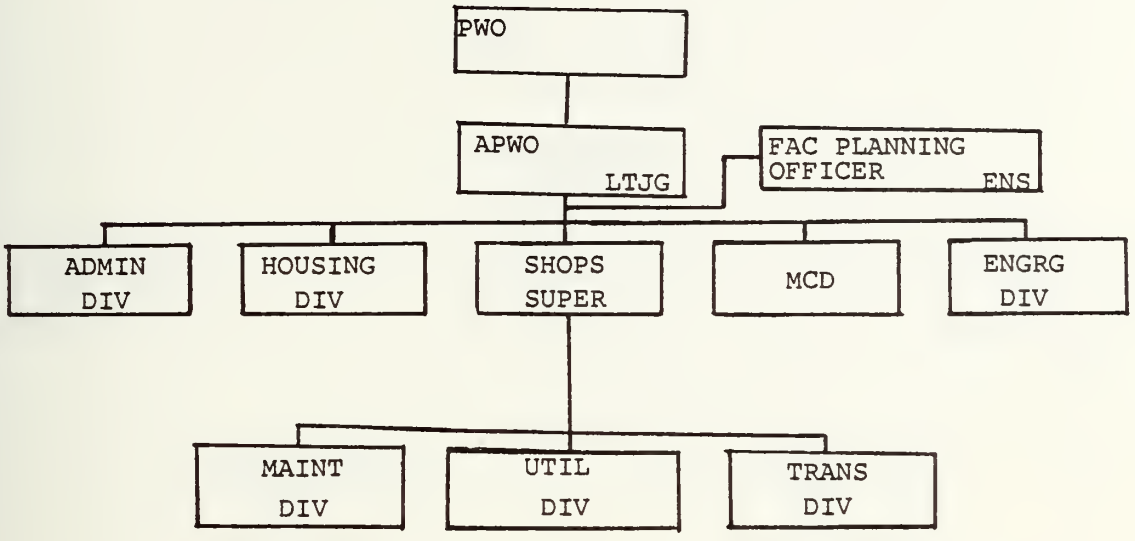


PUBLIC WORKS DEPARTMENT MODULES

Figure X-1a

MODULE 3



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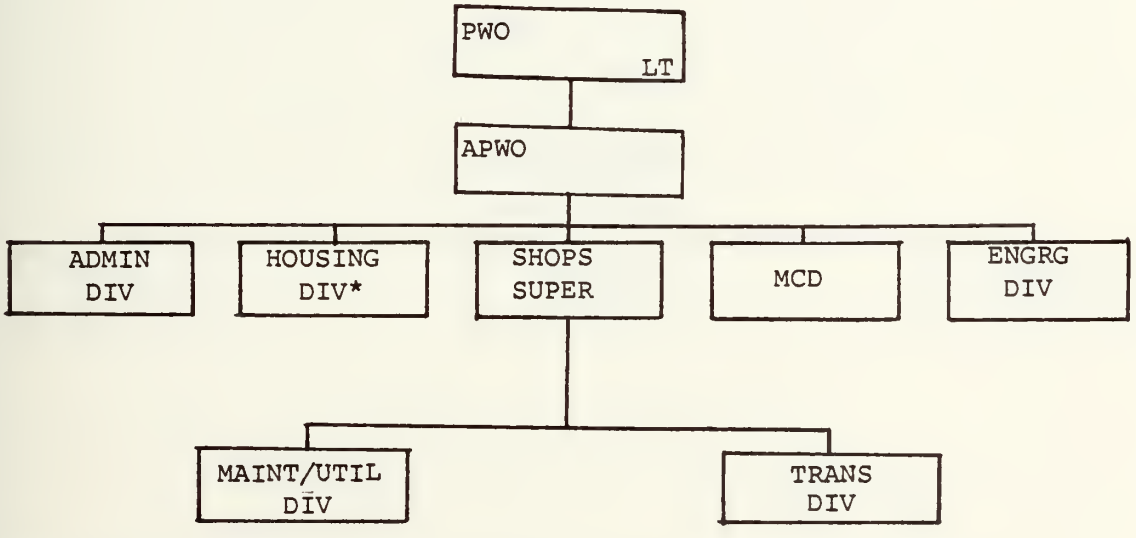
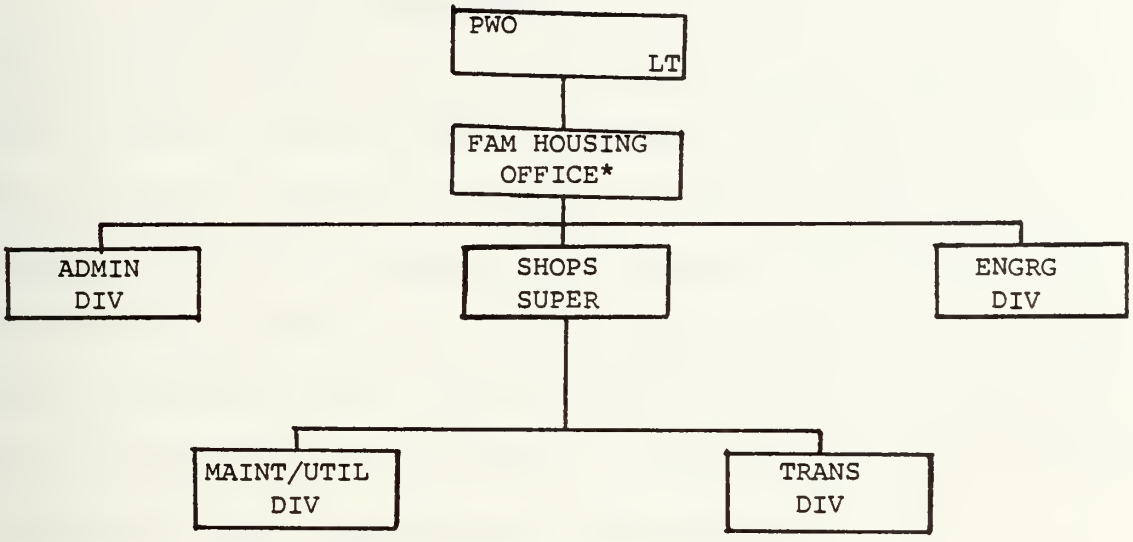


*Depending on workload this may be an office staff to the PWO.

PUBLIC WORKS DEPARTMENT MODULES

Figure X-1b

MODULE 5



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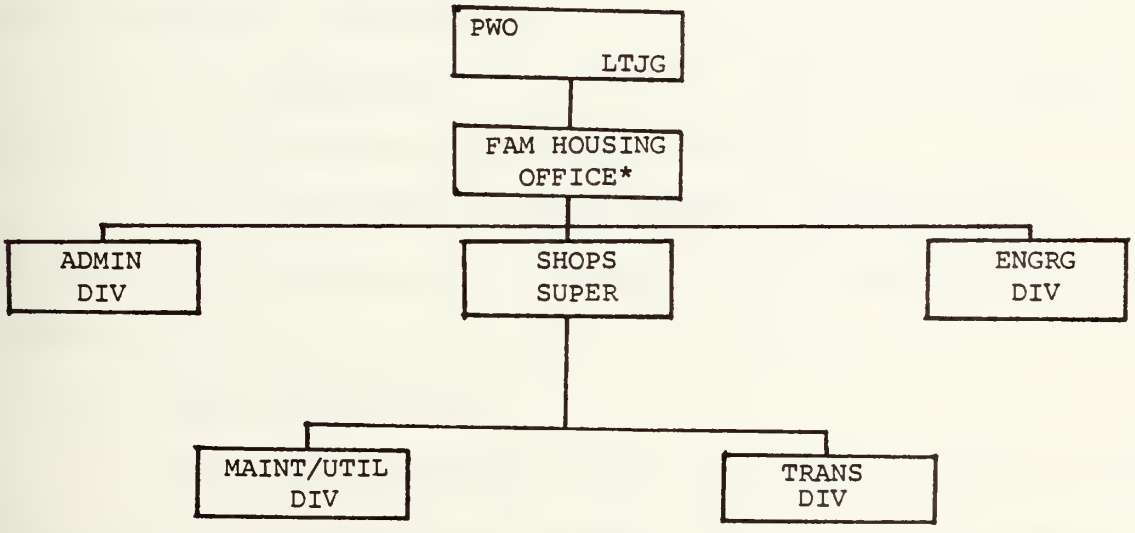


*Depending on workload this may be an office staff to the PWO.

PUBLIC WORKS DEPARTMENT MODULES

Figure X-1c

2. Production

a. Local Production

If local production is the method by which the activity fulfills its utility requirements, then strong management on the part of the PWO is required. The PWO should ensure that attention is directed towards the basic objective of providing the necessary quantity of necessary utilities at the time and place needed, and at the lowest possible cost. Quality and reliability are two characteristics that describe how the objective should be attained. Achievement of the objective is dependent upon the following considerations:

(1) System development. A continuous review, analysis and programming to assure that systems required are available when and where needed. It also includes considerations of backup or emergency equipment.

(2) Operations. The actions necessary to ensure utilities are available when and where needed.

(3) Inspection and Maintenance. Actions taken to ensure utilities maintain their capabilities to provide required services.

b. Sale of Utilities

Navy policy allows a shore activity to sell to purchasers within the immediate vicinity of the activity certain utilities when they are not available from private or public sources, and when the sales would be in the public interest. The Navy may also furnish utilities only in the cases of extreme urgency involving national defense or public health and safety, and then only on a temporary basis.

The Commander, NAVFAC, has delegated to the Commanders/Commanding Officers of EFDs the authority to award, prepare and execute contracts for selected utilities. NAVFAC establishes the rates to be charged, determines the terms and conditions of the sale and gives approval to the contracts before the Commanding Officer of the shore activity can execute the contract.

The procedure and required Determinations and Findings for supporting a request to sell services to private parties are set forth in NAVCOMPT Manual, paragraph 035875. A Utility Sales Contract should be prepared on a NAVFAC 4300/16. Refer to NAVFAC P-68, Contracting Manual for more detail.

3. Purchase

a. Contracting for Utilities

The procurement of utilities by contracts include:

-The direct purchase of such services;

-The procurement of standby, emergency, exchange, and interchange of utility services from public or private utility suppliers and from other Government agencies; and

-All other operating arrangements with utility suppliers providing for the coordinated operation of Navy-owned and operated facilities with those of the utility supplier in the area.

The authority to contract (commonly referred to as a "business clearance") means the business approval granted prior to the obligation of funds. The Commanding Officer of the EFD has been delegated the responsibility to prepare, award and execute contracts for utility services, subject to the provisions of the Defense Acquisition Regulation (DAR).

Whenever practicable, competition in the procurement of utility services is required. All suppliers of the needed services in the area should be requested to submit proposals for furnishing the services. If competition is not practicable, negotiation of contracts is permissible if certain factors are present.

The EFD is legally responsible to review all utility services and requirements because the EFD is the only authority authorized to modify or terminate a contract. However, the PWO has a vested interest in the services being received and should verify the services and the amount being received. The PWO should ensure that staff members concerned with utilities continually observe and analyze the contractor's performance and reevaluate the activity's requirements. Any unsatisfactory or questionable performance by the contractor should be promptly reported to the EFD. Also, any significant changes in the activity's requirements should be reported to the EFD.

b. Contract Review

The PWO should review the contracts and be familiar with the General Provisions. The General Provisions define such factors as billing frequency and the applicable rate schedule. The PWO should ensure that the UDD is intimately familiar with the provisions of all existing utility contracts. The UDD should be able to brief the PWO on each contract and answer any specific questions the PWO may have. As a matter of good management practice, the PWO should have the UDD review

and verify all utility bills prior to certification for payment. The UDD as a result of the review, may be able to recommend or initiate corrective and conservation measures that may produce a savings for the activity.

C. UTILITY RATES

1. Accounting

The Public Works Cost Accounting and Reporting System provides for budget and cost data for utilities cost analysis. The comptroller department or fiscal office is the principle office responsible for the accurate and complete administration of the cost analysis system. The responsibilities of the comptroller department or fiscal office is prescribed in NAVCOMPT Manual, Volume 3, Chapter 7.

2. Activity Rate

Utility services will be provided to customers and the customers will reimburse the activity providing such services. A single reimbursement rate for each utility service provided will be established by the activity providing the service. This rate is called the activity rate. At industrial-commercial activities, the activity rate established during the budget process will be stabilized for each fiscal year. The stabilized rate can be changed during a fiscal year only with prior approval of the Office of the Secretary of Defense. Activities providing utility services will inform customers of the utility rates for upcoming fiscal years in sufficient time to allow compensating changes in budgets affected by the rates.

Whenever a rate change is to be put into effect during a fiscal year, notice of the proposed change must be provided customers with sufficient time to secure funding for the unbudgeted expenses that will be incurred. The approved rate change will be put into effect at the beginning of a given fiscal quarter. All customers that receive utility services from a single or an integrated network of systems within a Naval complex will be billed at the activity rate. The activity rate will be based on the cost of providing the underlying service to all customers and will be applied uniformly to all units delivered when computing each customer's share of such costs.

3. Standard Charges

Standard charges are usually divided into two levels of charge: Flat Rate and Quantity.

a. Flat rates means that a charge is levied regardless of the quantity of service used. An example of this is the fixed monthly charge for providing telephone service to a house. The occupant is billed a fixed amount with no limit on the number of local calls that can be made by the occupant during the month.

b. Quantity charges are based on the amount of the service consumed or processed. For example, a person is charged an amount based upon the MKWH of electricity used.

4. Special Charges

They are charges that vary from service to service and can represent a significant portion of a utility bill. For example, with electric service there are two special charges:

billing demand and power factor. The billing demand is based upon the maximum demand or the rate at which the electricity is used. The customer should be aware that the demand charge not only affects the billing for a specific month, but may also affect the cost for the next eleven months since rate schedules frequently average the current month's demand with the highest demand recorded in the preceeding eleven months.

The power factor is the ratio of the usable power to the total power delivered by the supplier. It is a measure of the efficiency of an activity's distribution system and is expressed as a decimal. If the activity's power factor should fall below a predetermined level, usually .85, the supplier assesses a penalty charge.

The PWO should ensure that the UDD is aware of all the rate schedules. Also, the PWO and UDD should work together to ensure, through sound management, that the activity is paying the lowest cost for the utilities it consumes.

D. MAINTENANCE, REPAIR AND IMPROVEMENT

1. Objective

The maintenance management system's basic objective is the optimum use of available manpower, equipment, materials and money. To achieve the basic objective, seven basic maintenance management system principles have been established.

-Organization;

-Shore facilities inspection;

-Work input control;

-Planning and estimating;

-Shop scheduling;

-Management reports; and

-Appraisals.

These principles become very important to the PWO because of the current restrictions on manpower and funding and the requirement to maintain and operate facilities past their originally planned life.

2. Maintenance Standards

Each facility at an activity does not contribute equally to the activity's mission. By relating standards to which each facility is to be maintained, then maintenance can be more effectively provided to those facilities vital to the mission. This can be accomplished by establishing maintenance standards for each facility.

The acceptable condition of a facility can be stated in descriptive terms, but to be significant, the statement that a facility is well or poorly maintained must bear a measurable relation to known maintenance standards. Knowledge and application of those standards permit decisions on the necessity for maintenance, the extent and frequency of maintenance, and the effectiveness of the maintenance effort in terms of its results. Maintenance standards permit comparison between conditions as they are found by inspection or observation, and the accepted standards for the particular facility concerned. Maintenance standards should be determined for all facilities at each shore

activity. Refer to NAVFAC MO-322, Volumes 1 and 2 for standards.

3. Maintenance Planning

Maintenance planning must anticipate and prevent, to the greatest extent possible, interruptions in utility systems operations and the associated loss of output or capacity caused by equipment breakdown and deterioration. A coordinated inspection and maintenance program must anticipate the eventualities of breakdowns or the gradual reduction of system efficiency as equipment wears out, and provide measures by which they can be avoided to the maximum extent possible. Utilities maintenance needs should be determined through periodic inspections of all utilities equipment and associated facilities by qualified inspectors.

4. Inspections

The nature of utilities services and their importance to the activity in accomplishing its mission, requires that they be provided with continuous inspection to detect deficiencies and to initiate required corrective action to restore the services to normal and accepted standards. These inspections should be accomplished by:

- Operator inspections include the examination, lubrication, and minor adjustments of equipment and systems for which the PWO is responsible and to which a specific operator is assigned.

- Dynamic Equipment Inspection/Service (DEIS) is a preplanned, systematic examination of a facility to which a specific operator is not assigned. The inspection includes examination, lubrication, minor adjustments, and minor repair to equipment. Utilities Division personnel should perform these inspections.

-Control inspections are scheduled examinations and/or tests of facilities conducted throughout the year to determine the physical condition with respect to the desired facilities categorization. The control inspection can be used to appraise the accuracy of the operator and dynamic equipment inspections. The UDD should coordinate with the MCD Director in scheduling control inspections.

-Supervisory inspections are informal, on-the-spot, inspections performed by the PWO, APWO, and department supervisors intended to detect and report obvious maintenance needs.

5. Work Scheduling

Maintenance and repair work should be scheduled to permit an orderly and economical job accomplishment as well as orderly work introduction into the various Work Centers. It should be recognized that adherence to rigid schedules for all work is impossible, and that flexibility must be provided. This flexibility can be obtained by adopting a combination of two scheduling systems: Master Scheduling and Work Center Scheduling. This will require the continued efforts of the UDD, MCDD and MDD to establish and manage this coordinated scheduling plan.

If the workload becomes so heavy that work has to be deferred because qualified people are not available, the PWO may want to consider contracting the work in order not to delay or postpone necessary maintenance and repair work. Deferring maintenance now may lead to larger and more complex problems that may interrupt the whole maintenance program at a later date.

6. Special Projects

Frequently there is a heavy backlog of major maintenance, repair and improvement items in the utilities area.

When funds are not available from your O&M allocation, or the cost exceeds the authority level of the Commanding Officer, consider submission through the Special Projects procedure. Those projects that will result in savings of O&M funds, i.e., those that are self-amortizing usually receive top priority for funding from O&M funds retained by the Major Claimant. Normally, these projects should be amortized in less than five years. There is good, sound reason for this limit. Many of the projects that are funded this way involve euqipment that would not produce the desired savings if the period were any longer.

7. Improvements

It has been recognized that many of the Navy's utilities facilities have fallen into a critical state of disrepair, because a majority of the facilities and systems were constructed before the end of World War II. Consequently, a large percentage of the facilities and systems have exceeded their average life expectancy of 30 years.

Many technical factors have accelerated the downward trend in utility support capacity. Normal growth of utility loads due to improved standards of living, impact of environmental control, increased usage from the modern fleet, new inovative equipment, expansion of installations and their missions, and the impositions of inflation have slowly erroded margins of operation support. The Navy finds itself in a situation in which utility support of mission operations is sometimes not available or extremely unreliable.

The CNO recognized this problem and established a comprehensive Utilities Systems Improvement Program (OPNAVINST 11010.31) and tasked Commander, NAVFAC with the accomplishment of a formalized program for the identification and correction of all utility system deficiencies on a continuing basis, and to ensure adequate utilities support to the Naval Shore Establishment.

The Utilities Improvement Program (UIP) specifically includes the responsibility and authority for identification of utility system requirements, survey of existing system conditions and capacities and the development of a multi-year military construction program for the alleviation of existing and foreseeable deficiencies.

Commander, NAVFAC through NAVFACINST 11310.41, implemented the UIP and directed the EFDs to:

- -Initiate a program of technical surveys and resurveys at appropriate intervals of all utility systems at each of their activities;
- -Assist the shore activities in the development and submission of strong utilities improvement projects in consonance with the requirements and contents of NAVFACINST 11010.44A, Shore Installations and Facilities Planning and Programming; and
- -To provide NAVFAC with recommendations and technical priorities for projects to be included in the Utilities Improvement Investment Program.

Although the EFDs have the major responsibility for accomplishing the program requirements, it is in the best interest of each shore activity to support the program, assist the EFD with utility surveys, and promptly submit new or revised projects resulting from the surveys. In this way

existing and future utilities deficiencies will get the needed recognition and support in competition for the limited funds available for utilities projects.

E. CONSERVATION

1. Energy Conservation Program

Conservation is concerned with how productively or effectively utility services are used. With the decreasing availability of certain fuels, the constraints on poluting the environment and the increasing cost of services, every Commanding Officer and every PWO needs to input personnel attention into the program.

There are two areas in which potential savings can be obtained. They are losses during generation and/or distribution of utilities and improvement in energy consumption. The conservation program is structured to be accomplished by two means, one by an in-house program and the other with EFD support.

a. In-House Support

For it to be effective, the program must originate from the Commanding Officer and extend down through all echelons to every individual at the activity. The PWO should have the utility division review all operating conditions and procedures of all utilities to detect losses and to request the EFD to conduct a Utilities Systems Analysis.

b. EFD Support

To implement the conservation program, NAVFAC has established several programs by which the EFDs can support

the shore activities in energy conservation. The major programs are:

- -Energy Conservation Survey Program--which is conducted in accordance with NAVFACINST 4100.6. It will highlight for the PWO areas of energy improvement and provide guidance and techniques for conservation;

- -Energy Conservation Investment Program will assist the PWO in developing projects to fulfill recommendations during the initial survey. The program is included within the Military Construction Program;

- -Utilities Improvement Program provides assistance to shore activities in identifying and correcting deficiencies to utility plants and systems;

- -Boiler Tune-Up (BTU) Program is designed for boilers of five million BTUs per hour or above. It involves the evaluation of boilers' performance and the testing of equipment, controls and stack emissions; and

- -Boiler Efficiency Improvement Program will evaluate and test the performance of boilers under five million BTUs per hour.

Monitoring of energy conservation is the responsibility of the PWO. The PWO should monitor the energy use of each user and those who fail to contribute to the conservation effort should be notified through the Commanding Officer. The quantity of energy utilized by the activity must be reported through the Defense Energy Information System (DEIS). The reports are submitted to Defense Supply Agency in accordance with OPNAVINST 4100.8. The reports allow higher echelons (i.e., major claimants, CNO, DOD) to monitor the energy conservation performance of all shore activities.

2. Utility Targets

To compute a target requires that the PWO identify how the utility services are used, including plant and system

losses, and all domestic, industrial, inter-utility and other uses based on the activity population, production requirements, fleet and aviation units supported, buildings and facilities operated. The resultant target is the standard for measuring performance.

The PWO should use the targets to aid in determining the effectiveness of the activity's utilities operation, maintenance program and conservation program. The PWO can also use the targets in formulating the activity's utilities budget.

These targets are also utilized by the EFD, NAVFAC and major claimants as indicators of overall utilities management effectiveness for that activity.

An acceptable variation between the target and actual consumption is +5%. Any variance greater than +5% indicates that the target was not computed correctly and needs to be verified or that corrective action is necessary.

F. EMERGENCY PROCEDURES

Equipment and system casualties will occur in utility operations, frequently outside of normal working hours. It is not economically feasible for the activity to have backup equipment to ensure 100% reliability. Therefore, the PWO has to recognize the potential for casualties and develop a Casualty Correction Plan. The plan should be prepared and be corrected and updated as required to provide the most effective plan possible. In the plan, each type of casualty should be given a priority as to the importance of that service to the activity. The plan

should establish procedures for handling each type of casualty and if there are any special functions that require continuous service, they should be identified and plans for emergency equipment installation established.

The PWO should ensure that personnel are trained and organized to make the necessary emergency repairs. The personnel should be aware of system loops and interconnections so that casualty areas may be isolated and by-passed to restore service with a minimum delay.

Standby emergency generators are items that most PWOs have a tendency to forget about, yet they can create a major and embarrassing problem for the PWO. For example, a PWO did an inspection of all emergency generators at the activity and found the following:

- -A new generator in excellent condition at the base theater;
- -A new generator in excellent condition at the communication center;
- -A new generator in excellent condition at the commissary;
- -A 50-year old generator in very questionable condition at Port Services; and
- -A 50-year old generator in very poor condition at the hospital operating room.

The point is, that the PWO should inspect emergency generators when he first arrives, and then take the necessary action to locate the generators in the most effective and vital locations.

G. UTILITY SYSTEMS

1. Steam

Steam is almost a universal power source since it can be utilized for domestic, industrial, shipboard or utilities production. Management of this utility requires the control of four major functions: equipment scheduling, equipment operation, fuel utilization and distribution system operation.

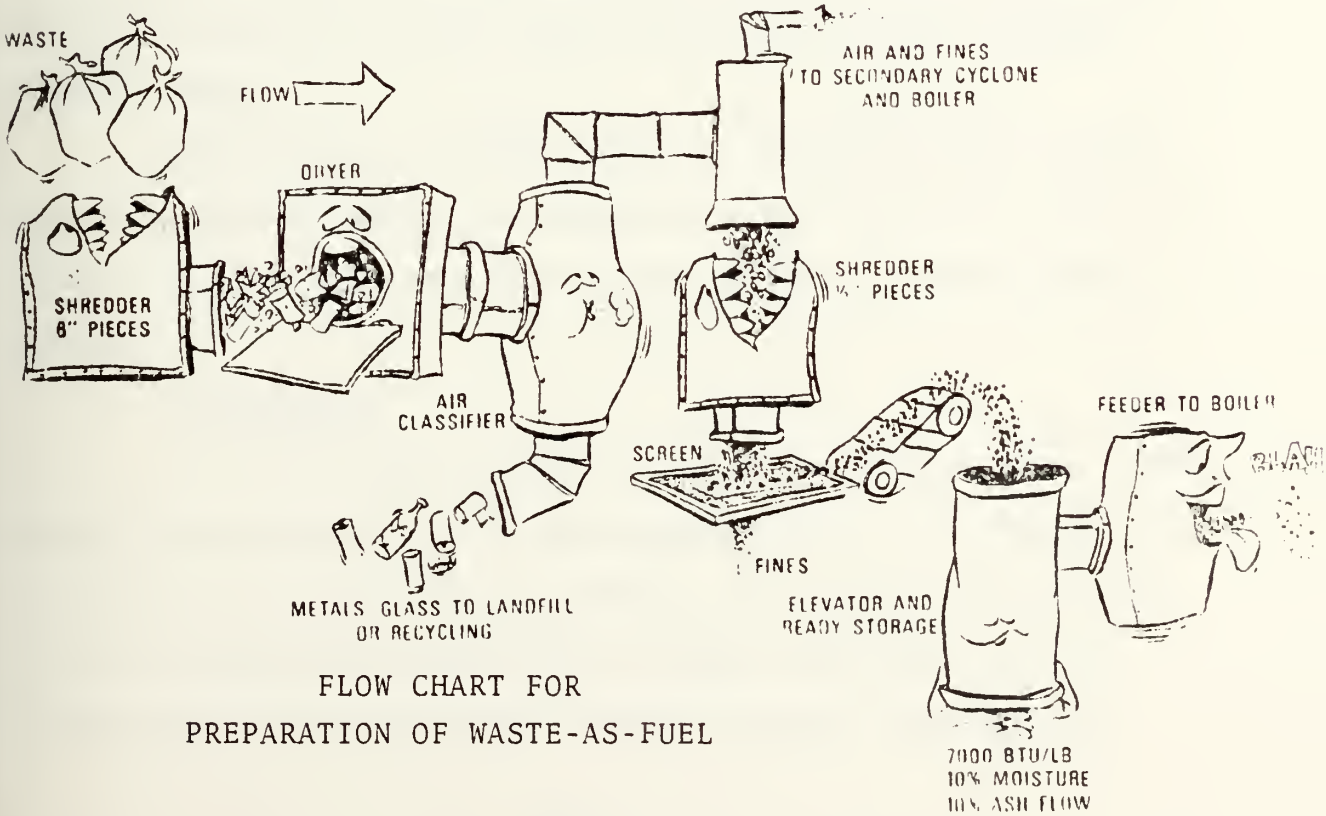
Equipment scheduling involves the balancing of the operation of generation equipment with the load to ensure the most efficient use of each piece of equipment. The UDD should determine the normal operating range for the piece of equipment, because to operate outside this range is inefficient and costly.

With the constrained availability of fuel, the cost and legal requirements concerned with polution control, the selection of fuel is becoming more difficult. With these restrictions, the primary fuel for which the system was originally designed may not be available or allowed.

With the passage of the Federal Water Polution Control Act of 1970, the discharge of oily waste onto land or into water is prohibited. This required the Navy to store and pretreat the waste before disposal. Recent research has shown that some of the oily waste (JP-5, diesel, engine lube or hydraulic oil) can be blended with other fuel oils and burned in boiler plants. The potential savings from the reclaiming of oil wastes can be very large.

With the passage of the era of cheap fossil fuel, researchers have studied the use of solid waste as a source of fuel. Studies have indicated that upwards of 70% of the total weight of solid waste is combustible and can be used to supplement or completely replace fossil fuels in existing and newly designed boilers. As the heat content of a pound of waste is in the 7000 BTU range, each ton burned as fuel saves the Navy a barrel and a half of oil. Additionally, the low sulfur content of solid waste makes it less of an air polutant than most coal or fuel oils. Some boilers located at PWC, Norfolk, and Naval Shipyard, Portsmouth, Virginia, can burn unprocessed waste directly from the garbage trucks.

To use solid waste fuel, the boilers must have both bottom ash handling and fly ash removal capabilities. The



FLOW CHART FOR
PREPARATION OF WASTE-AS-FUEL

conversion is not overly complicated as all coal-fired boilers and most boilers retrofitted to burn oil or gas have this potential capability. In addition, the solid waste must be prepared by shredding or milling and the heavy non-combustibles separated out. Shredding and drying to ten percent moisture eliminates rodents, decomposition and odor problems in storage. This waste-as-fuel alternative can become both environmentally preferable and economical for an activity.

Presently, the Navy is researching the capabilities of using geothermal steam for home/office heating. This research is taking place at NAS Fallon, Nevada. In other areas, companies are doing research on the feasibility of using geothermal steam to produce electricity. The PWO should be aware of this potential energy source because there is a possibility that the PWO may be stationed at an activity that is developing its systems to utilize geothermal steam as its primary energy source.

With steam, the PWO should be concerned with minimizing line losses between the generation point and the points of usage. A good maintenance program will help to reduce this problem.

2. Electricity

It is the major utility at most shore activities. Many activities purchase all of their electricity, but some activities have the facilities to produce their own. At the activities that generate part or all of their electrical power, management of the electrical system requires planning and

control of four primary elements:

-minimizing peak demand;

-equipment scheduling;

-equipment operation; and

-distribution system.

Activities purchasing electricity should be concerned with the first and fourth elements.

The PWO should be aware of the extent and duration of the peak demand and the capability of the distribution system. These two factors are very important in that with expansion of activities and the program of ships going "Cold Iron" when in port, the PWO needs to know how this increased demand will affect the utility budget and to determine if the distribution system is capable of providing all the demands. Many electrical systems were constructed during World War II prior to the demands of shore power for ships, needs of computer systems and new standards of living and may not be able to handle the load placed upon it. Serious problems can develop if the system becomes overloaded.

A maintenance problem of decaying utility poles has increased lately at some activities. With the replacement cost for utility poles at over $500 per pole, this problem has become costly. It is unacceptable if the loss is in excess of one percentage per year. But in many cases there is not much the PWO can do about it because decay is so extensive and resources so limited. that pole loss occurs before repair can

can take place. Eighty percent of pole losses occur at or just below ground level, therefore, this region should be given close attention. A system to protect inplace poles from ground-line decay has been developed. The pole is excavated to a depth of 18 inches and then the pole is sounded with a hammer by a trained inspector. Suspected internal voids are confirmed by drilling and are then filled with an approved liquid preservative. All external decay is removed and a preservative gel is brushed on and a waterproof wrapping is applied. Studies have shown that the poles will stay decay-free for ten years, at which time the process is repeated.

Also, EFDs now have ultrasonic pole testers available for use by activities. It is a non-destructive test. The tester sends out a high-frequency signal through the pole and if a bad spot is indicated, a core test is made to verify the condition. Then the preservative is applied as in the previous test.

Most public utility companies have an allocation plan which details how they would allocate electrical power to their customers. In these plans, there are three categories of electrical curtailments:

a. Voluntary

The first step is a plea to the public through advertising and public statements for voluntary curtailment of the use of electricity during a fuel shortage or other emergency situations. The utility companies would also send engineers and technicians to visit large users and suggest methods of voluntary curtailment.

b. Mandatory

This type of curtailment may be directed at specific customers or specific types of uses and would require prior approval by the State Public Utilities Commission before implementation.

c. Involuntary or Sequential Rotation

Commonly referred to as "brownouts" or "blackouts". Brownouts, a reduction in voltage, have been determined by most companies as not to be an effective means of reducing fuel consumption due to transformer losses. Also, some electrical systems are not designed in such a way as to make brownouts possible. A rolling blackout is when certain circuits are out for certain periods of time in a given sequence with public notice as the basis of the involuntary plan.

With most involuntary plans, certain customers, i.e., hospitals, water works, fire stations, police departments, would be exempt from the rolling blackout. It should be noted that military installations are not automatically included in this exempt status. The Public Utilities Commission of California has identified Federal activities essential for National defense as customers who may be exempted from rotating blackouts, if that activity can establish the applicability of an exemption. Thus, installations which cannot afford to be involved in a voluntary rolling blackout should have a written agreement to this effect with their respective utility companies.

The PWO should be aware of the priority list of users that would have service curtailed first by the utility company during a mandatory curtailment. For example, one utility company listed BEQs and BOQs equal with motels/hotels as compared to family housing which was lower on the priority list. This means, in a mandatory curtailment, BOQs and BEQs would lose their electrical service before base housing. This happened because the utility company did not define BOQs and BEQs as housing when they established their list. Not knowing which users would be curtailed first could cause many problems for the PWO. Being aware, the PWO may be able to realign the priority list through an agreement with the utility company or develop a plan of action to reduce the impact of a curtailment.

There is no known requirement in the Navy for an activity to have an Allocation Plan. However, there are three directives that require a Load Shedding Plan. They are:

-CNO message 291819Z, May, 1970;

-Bureau of Yards and Docks Instruction 11300.21, 2 May 1960; and

-NAVFACINST 4100.6 of 29 March 1974, Shore Facilities Energy Conservation Program.

A Load Shedding Plan is a contingency plan which each activity is required to have in writing, ready to be executed in the event the normal source of supply of electricity is reduced or becomes unavailable due to a casualty in the generation or distribution system. Load Shedding Plans are designed with short-term, emergency situations in mind. They envision power outages or curtailments of under four hours, with the worst case not exceeding three days.

A true Allocation Plan, as opposed to a Load Shedding Plan, would be valid for varying periods of time. Furthermore, its implementation should not be limited to emergency situations, but should be utilized as a management tool for controlling the use of electricity, e.g., for reasons of economy--to control either total KWHs consumed or dollar expenditures on electricity, or both. A further differentiation is that Load Shedding Plans often include the use of standby or emergency generators. Since the primary objective of an Allocation Plan most likely will be the conservation of energy, such a plan would make use of few, if any, emergency generators. Therefore, it may prove beneficial to the PWO to develop an Allocation Plan, even though one is not required.

3. Water

Water requirements include domestic, industrial and fire protection. Management of water operations should be concerned with water supply, pump equipment selection and operations; water treatment; and water distribution.

The demand for water should be monitored and projected for planning purposes. Peak demands and seasonal patterns should be identified. All of these facts are important in making a decision as to the quantity of water to be produced or quantity to be purchased.

Public Law 93-523, Safe Drinking Water Act, was designed to assure that public water supply systems meet minimum National standards for the protection of public health. The Act gives the Environmental Protection Agency (EPA) responsibility

for setting national drinking water regulations. All Navy shore activities within the United States must comply with the drinking water regulations established by EPA. The Bureau of Medicine and Surgery may apply additional standards, as deemed necessary, to any Navy water system. The standards contained in BUMEDINST 6240.30 apply to shore activities located outside the United States.

NAVFACINST 11330.14, Safe Drinking Water at Navy Shore Activities, establishes the responsibilities for the activity Commanding Officer, which ultimately becomes the concern of the PWO. They are:

- -To operate, provide, and maintain facilities for providing drinking water in accordance with applicable standards;
- -To sample, conduct analyses, submit reports to the EPA with copies to the EFD, and to maintain records in accordance with established regulations;
- -To notify the EPA, EFD and all persons served by the water system of any failure to comply with applicable regulations; and
- -To ensure that all water treatment plant personnel are trained and certified as required by EPA and state regulations.

The instruction also provides the regulations on Ship-to-Shore potable water connections. For example, it details how to label the hoses; how to store them; and how to disinfect the hoses, hose connections and pierside potable water outlets. It also states the disinfection procedure for potable water mains, storage tanks and wells. The PWO should be aware of this instruction and ensure that all division personnel involved in this area are knowledgeable and trained in the specified procedures.

Currently NAVFAC is encouraging activities to hook-up to municipal water systems and get out of the water production business, mainly because of the strict regulations of the Safe Drinking Water Act.

4. Mobile Utilities Support Equipment (MUSE)

The MUSE inventory consists of relocatable utility generating or processing units for electrical power, steam, compressed air, water supply and air conditioning. The equipment is available to activities for a temporary period in most cases not to exceed 18 months, but waivers to exceed 18 months are possible in extreme cases. The equipment is used to replace equipment out of service because of catastrophe, accident, planned overhaul, or to support military construction.

Procedures for obtaining MUSE units are contained in NAVFACINST 11310.2. The user activity is responsible for funding the installation, operating and maintenance costs while the equipment is in its custody. Requests for MUSE units should be directed to MUSE Field Office, CBC, Port Hueneme, California, via the cognizant EFD.

5. Telephone Service

It may be provided in two manners. The system on the base may be Government-owned and operated or the service may be provided by contract.

If the system is Government-owned, then the activity is responsible to man and operate the central exchange, to maintain custody and inventory of all equipment, to perform maintenance and repair and to fund all operating expenses and improvements.

There is increasing pressure on the Navy to get out of the telephone service business and turn their operations over to contractors. In recent years small contractors have broken the monopoly that AT&T had. Now there are other telephone companies like GTE, ITT, Continental and other smaller companies.

To turn over telephone service to a contractor, a survey of feasibility must be made. Within this survey, a cost comparison similar to ones done in a commercial/industrial contract must be done. There are problems in doing the comparison, since most telephone companies have a monopoly over an area, because the company will only do a survey of the Government system only if they are paid a fee (usually $20,000 to $35,000). Presently, there are no regulations that allow the Navy to pay a contractor for doing a survey on which the contractor is to base his bid. Also the PWO will find personnel in the telephone service division unwilling to assist the contractor in performing a survey.

It will be the CO's decision whether to contract or not. Some items that may influence the decision are:

- -If a reduction in manning level is expected, then contracting will aid in meeting this limit;
- -If the Government-owned system is continuing to cost more to maintain and operate or is in the need for a major repair project;
- -The present cost of moving instruments (i.e., $10/move) by PWD personnel as compared to the contractor who will charge a service fee (i.e., $40/move) just to come to the base and a labor fee (i.e., $10) to move the instrument. This could become very expensive especially to a research activity because they tend to do a major shift of work spaces as a new program is initiated;

-Every activity has an individual who believes they can repair anything and will try to repair a telephone rather than call the PWD. If, in the end, the individual is not successful, the problem is given to the PWD. If the system was contracted out and the individual tampered with the telephone, the contractor would refuse to repair it, but still charge the activity the monthly fee for that instrument. Most telephone companies have a rule that states that they will not repair any equipment that has been tampered with by anyone else.

The survey can be long and tedious and take a year or more to complete. The EFD becomes deeply involved because they are one of the principal parties in the survey. Also, the EFD is the one that is authorized to negotiate, prepare, and execute contracts for telephone communication facilities and services.

It is also possible for the contractor to negotiate only to take over only a portion of the system. This can cause many problems for the PWO, because if responsibilities are not outlined in detail there can be disputes over who is responsible for what when a problem arises.

If it is considered desirable and in the interest of efficiency, the EFD may authorize the Commanding Officers of activities to order minor changes in telephone service. The delegation of the authority will be made on an annual basis, without a dollar limitation, by issuing a Communication Service Agreement (CSA) to the contractor. The notice shall state that the delegation is limited to telephone installations, changes of location of telephones, telephone extensions, wiring plans, key systems with telephones that will accomodate up to six pickups and other basic equipment furnished by the contractor.

The delegation of authority does not include central office switching equipment expansions, special or auxiliary equipment such as colored telephones, touch-tone instruments, call directors, speed dialers or speaker phones when an additional cost in involved. The Commanding Officer may issue orders for the disconnections of any service, provided there is no termination liability involved.

The requesting activity is responsible for funding the cost of local telephone facilities and services. All requests for service will contain complete fiscal data for use by the EFD in the preparation of orders.

6. Refuse Disposal

There are several methods to use in refuse disposal. First, it is possible to utilize activity personnel to collect the refuse and then truck it to a public or private disposal landfill site where the activity pays a fee for each truckload of refuse deposited there. With the activity controlling the refuse system, containers for different types of refuse can by provided (i.e., paper, wood, metal). With the segregation of the refuse the activity can reclaim some materials for recycling. There is great potential for generating revenue in the selling of scrap metal or other materials. The PWO should investigate the area of recycling materials for potential cost savings.

Secondly, if refuse service is performed by a public agency, then that service can be obtained on a contractural basis. The PWO should be aware that if the service is

contracted from a public agency, then the service is subject to public regulation. The PWO should investigate the regulations and determine how they will affect the level of service provided prior to deciding to obtain service by this method.

Thirdly, when competition exists and there is no public agency providing refuse service, then the service must be procured under a Maintenance Service Contract. Guidelines for procuring such service is provided in NAVFAC P-68.

7. Other Utilities

The activity may have other utility systems, but they represent a less significant segment of the activity's expenditures for utility services. They will require a share of the PWO's attention and control. Requirements must be determined, equipment selected to meet demands economically and effectively, usage and peak demand monitored and projected for planning purposes, and unit cost data developed as a basis for providing the necessary services.

Figure X-2 lists the NAVFAC Maintenance and Operations (MO) publications which should be utilized in planning, programming, and maintaining and inspecting the public utilities of shore activities.

NAVFAC NO.	
MO-200	Electric Power Distribution System Maintenance
MO-201	Operation of Electric Power Distribution System
MO-202	Control of Electromagnetic Interference on Overhead Power Lines
MO-203	Wire Communication and Signal System Maintenance (Vol.1)
MO-205	Central Heating and Steam Electric Generating Plants (5 Vol)
MO-206	Operation and Maintenance of Air Compressor Plants
MO-207	Operation and Maintenance of Internal Combustion Engines
MO-209	Maintenance of Steam, Hot Water and Compressed Air Distribution Systems
MO-210	Water Supply System
MO-212	Sewerage and Industrial Waste Disposal System
MO-213	Solid Waste Management
MO-215	Mobile Utilities Support Equipment (MUSE)
MO-220	Maintenance and Operation of Gas Systems (Tri-Service)
MO-230	Maintenance Manual Petroleum Fuel Facilities
MO-300	Inactivation of Facilities
MO=301	Reactivation of Facilities
MO-302	Maintenance and Operation of Intrusion Alarm System
MO-303	Utility Targets
MO-304	Utilities Systems Analysis
MO-305	Activity Conservation Techniques
MO-306	Corrosion Prevention and Control
MO-307	Corrosion Control by Cathodic Protection
MO-321.1	Maintenance Management of Public Works and Public Utilities for Small Activities
MO-322	Public Works and Public Utilities; Inspection for Maintenance of

NAVFAC MAINTENANCE AND OPERATION TECHNICAL PUBLICATIONS

Figure X-2

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Department of the Navy, Civil Engineer Corps Officer School, Port Hueneme, California, Public Works Manual, CECOS 101/72, September, 1979.

NAVFAC MO-321, Maintenance Management of Shore Activities.

NAVFAC P-68, Contract Administration.

NAVFACINST 11330.14, Safe Drinking Water at Navy Shore Activities.

Shalar, Alexander, Electrical Energy Allocations at Navy and Marine Corps Bases, Master's Thesis, Naval Postgraduate School, Monterey, California, 1975.

SUGGESTED REFERENCES

ASPR SUPPLEMENT No. 5, Procurement of Utility Services.

BUMEDINST 6240.3C, Design Criteria Guidance for Energy Conservation.

NAVCOMPT MANUAL, Volume 3, Chapter 5, Procedure for Obtaining Authority to Sell Utility Services.

NAVCOMPT MANUAL, Volume 3, Public Works Cost Accounting and Reporting Systems.

NAVFAC P-96, Utilities Management.

NAVFAC P-318, Organization and Functions for Public Works Departments.

NAVFACINST 11310.41, Utilities Improvement Programs: Establishment of.

NAVFACINST 4100.4A, Electric Resistance Space & Domestic Water Heating; Limited Use of.

NAVFACINST 4100.2A, Design Criteria Guidance for Energy Conservation.

NAVFACINST 4100.6, Shore Facilities Energy Conservation Survey Program.

NAVFACINST 11300.7D, Minimum Operator Attendance for Boiler Plants Utilizing Fully Automatic and Semi-Automatic Controls.

NAVFACINST 11300.27, Environmental Quality Boiler Tune-Up Program, Stationary Heating and Power Plant Operations.

NAVFACINST 11300.28, Boiler Efficiency Improvement Program.

NAVFACINST 11310.2D, Mobile Utilities Support Equipment (MUSE) Program.

NAVFACINST 11310.19A, Utilities Conservation Program; Requirements of.

OPNAVINST 4100.5A, Energy Resource Management.

OPNAVINST 11300.3, Utility Services; Sale of.

CHAPTER XI

TRANSPORTATION EQUIPMENT MANAGEMENT

A. GENERAL POLICY----------778

1. Authority and Control----------778

2. Scope and Objectives----------780

3. Organization and Staffing----------781

4. Facility Requirements----------781

5. Authorized Types of Equipment----------783

B. INVENTORY MANAGEMENT----------784

1. Objectives----------784

2. Allowance Control----------784

3. Equipment Acquisition----------785

4. Equipment Disposal----------786

5. Equipment Rental and Leasing----------789

6. Loan----------790

7. Loan of Navy-Owned Equipment to Commercial Contractors----------790

a. Contractor Operated Naval Activities----------790

b. Best Interest of Government----------790

C. VEHICLE AND EQUIPMENT ASSIGNMENT----------791

1. Objectives----------791

2. Dispatching----------794

a. Trip Tickets----------795

b. Types of Dispatch----------797

3. Utilization and Targets----------799

a. Utilization Control----------800
b. Tips----------801
4. Driver Training and Safety----------803
5. Operation of Construction and Weight Handling Equipment----------804
6. Operation of Buses for Dependent Children---------805
7. Operation of Railway Equipment----------807
8. Equipment Records----------809
D. TRANSPORTATION MAINTENANCE MANAGEMENT----------810
1. Maintenance and Repair----------810
2. Repair Procedures----------813
3. Commercial Repair----------820
E. TRANSPORTATION MANAGEMENT CONTROL----------820
1. General----------820
2. Budget Control----------821
3. Equipment Utilization Control----------821
F. TRANSPORTATION REPORTS----------822
1. Transportation Cost Report----------822
2. Activity Utilization Report----------822
3. Annual Allowance and Requirements Review----------824
4. Accident Reporting--Operator's Report of Motor Vehicle Accident----------826
5. Other Reports----------826
G. TRANSPORTATION EQUIPMENT QUESTIONS----------832
APPENDIX A----------835
BIBLIOGRAPHY----------841
SUGGESTED REFERENCES----------841

XI. TRANSPORTATION EQUIPMENT MANAGEMENT

A. GENERAL POLICY

1. Authority and Control (CECOS, 1979)

The Chief of Naval Operations, through the Chief of Naval Material, has delegated the responsibility for the administration of the Navy Transportation Program to the Commander, Naval Facilities Engineering Command (Figure XI-1). This responsibility includes the budgeting, acquisition and assignment of Civil Engineering Support Equipment (CESE) and providing policy, procedure, standards and guidelines, both technical and management, for operation and maintenance of CESE.

NAVFAC has material management responsibility for transportation equipment. The transportation equipment allowance is aligned along command (claimant) lines. Claimants receive staff technical assistance from Transportation Equipment Management Centers (TEMC) at NAVFAC EFDs Atlantic Division, Norfolk, Pacific Division Pearl Harbor, Chesapeake Division (Washington, D.C.) and Southern Division Branch at Pensacola, plus resident assistance provided 11th, 12th and 13th Naval Districts activities by Western Division at San Bruno, California.

The Commanding Officer has primary responsibilities to the Major claimant for the cutody and operations and maintenance of transportation equipment.

The PWO is normally delegated authority to manage transportation by his Commanding Officer, except where a Public Works Center has control of the transportation equipment. The

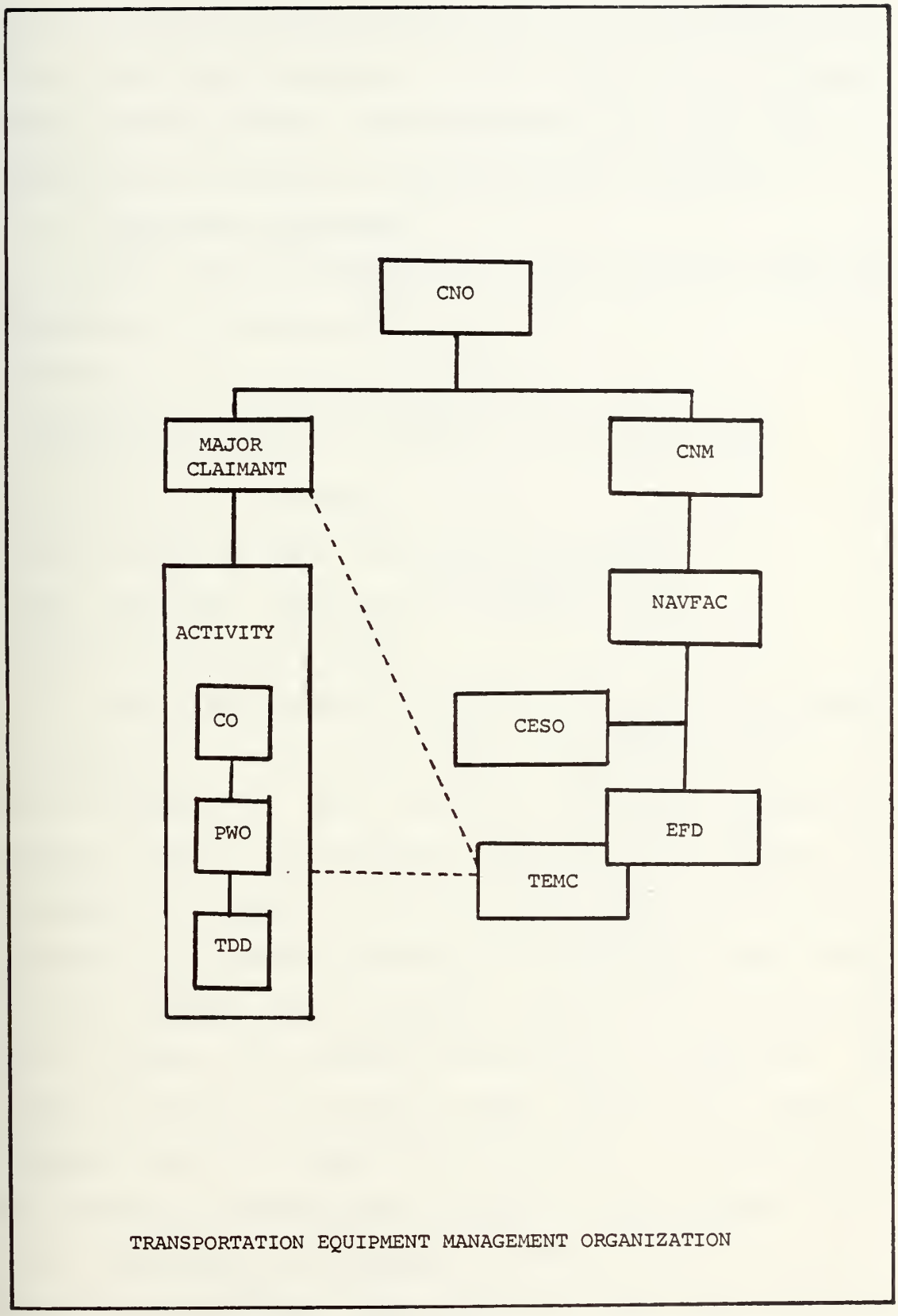

CNO
MAJOR CLAIMANT
CNM
ACTIVITY
NAVFAC
CO
CESO
PWO
EFD
TEMC
TDD
TRANSPORTATION EQUIPMENT MANAGEMENT ORGANIZATION

Figure XI-1

Transportation Division Director has the responsibility for routine day-to-day management of the transportation equipment issued to an activity. The responsibilities of the Public Works Department are spelled out under Scope and Objectives.

2. Scope and Objectives

The primary objectives of a Transportation Management Program are to optimize the:

-Allowance and inventory available;

-Orderly procurement, assignment and replacement of equipment;

-Utilization of equipment;

-Availability of safe, serviceable equipment;

-Safe and lawful operation of equipment; and

-Economic life of equipment.

The Transportation Division Director at the activity is responsible for providing effective transportation services at an optimum cost. This encompasses equipment allowance and inventory control, procurement, replacement and disposal of equipment (including rentals), assignment and operation of equipment, maintenance and repair of equipment, driver education and licensing, and management analysis of cost and usage data to ensure cost effective utilization of resources. The primary concerns of the Public Works Officer are, normally, ensuring that the Transportation Division is providing adequate and responsive transportation support to the customer, that the future requirements are being identified in time to permit acquisition of equipment (this ordinarily means two or more years in advance) and that assigned equipment is being effectively

maintained and utilized. The PWO is not normally responsible for utilization of certain types of specialized equipment such as ambulances or material handling equipment. These exceptions, which are spelled out in Chapter 1 of NAVFAC P-300, are under the technical responsibility of various other system commands. In most cases, however, the maintenance of these vehicles is carried out by the Public Works Transportation Division.

3. Organization and Staffing

The functional responsibilities, organization components and staffing criteria of the Transportation Division, are discussed in Chapter 1 of this manual as well as in NAVFAC P-318. Figure XI-2 depicts the functional organization of a typical Transportation Division. The functional areas listed for each branch depict the division of labor between the two branches.

Of all the personnel in a Transportation Division, the dispatcher will affect its effectiveness most. The dispatcher, along with the work receptionist in the Maintenance Control Division and the Housing Manager, are the Public Works Department representatives who receive over 90% of all contacts. It is important then that the dispatcher be responsive and courteous to customers, meet their needs, and solve their daily problems. The dispatcher's ability to effectively move people and material will depend on his/her resourcefulness.

4. Facility Requirements

Guidance on transportation facility requirements can be found in DM-28. As a general rule of thumb, there should

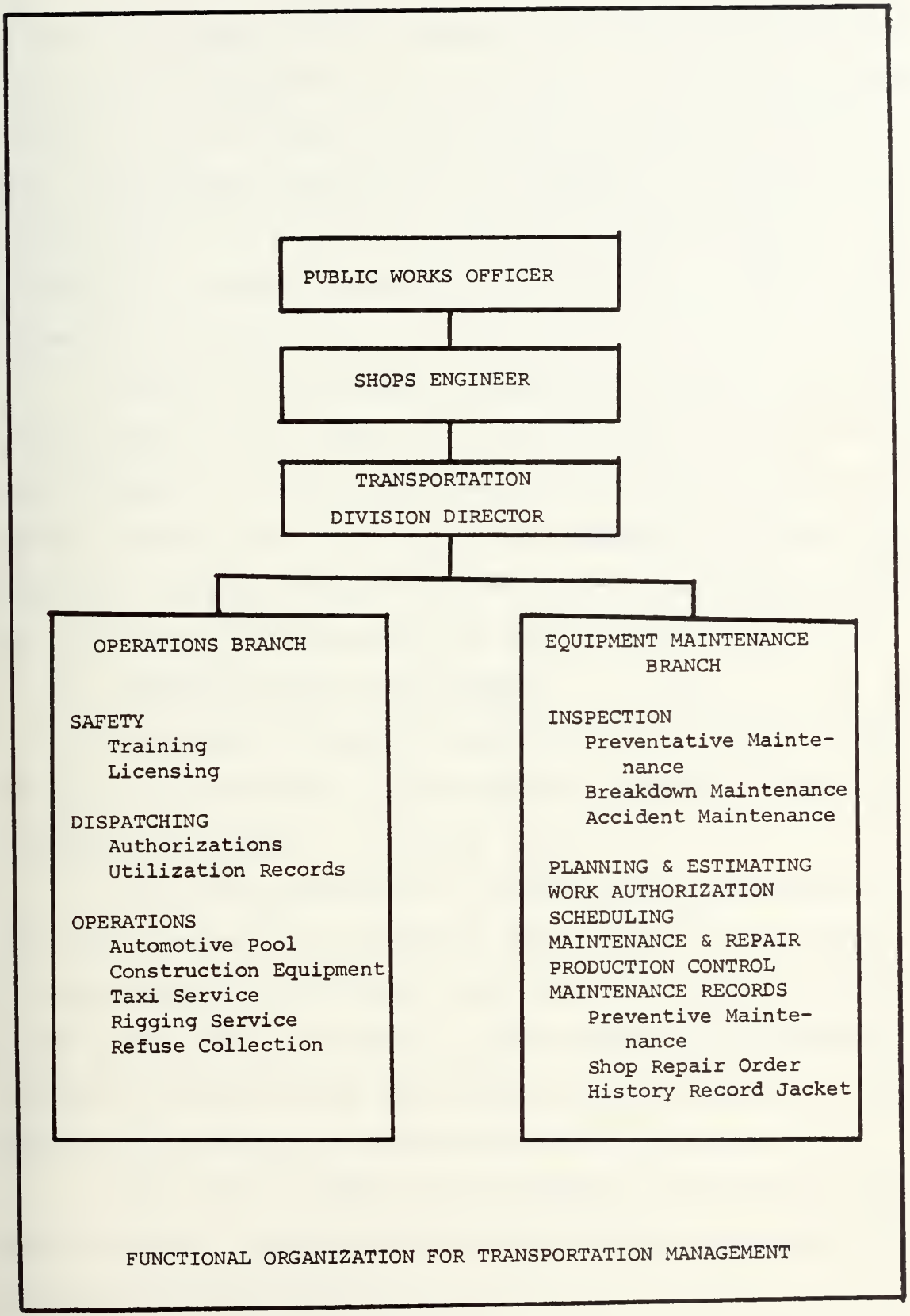

PUBLIC WORKS OFFICER
SHOPS ENGINEER
TRANSPORTATION DIVISION DIRECTOR
OPERATIONS BRANCH
SAFETY
Training
Licensing
DISPATCHING
Authorizations
Utilization Records
OPERATIONS
Automotive Pool
Construction Equipment
Taxi Service
Rigging Service
Refuse Collection
EQUIPMENT MAINTENANCE BRANCH
INSPECTION
Preventative Maintenance
Breakdown Maintenance
Accident Maintenance
PLANNING & ESTIMATING
WORK AUTHORIZATION
SCHEDULING
MAINTENANCE & REPAIR
PRODUCTION CONTROL
MAINTENANCE RECORDS
Preventive Maintenance
Shop Repair Order
History Record Jacket
FUNCTIONAL ORGANIZATION FOR TRANSPORTATION MANAGEMENT

Figure XI-2

be about 36 square feet of transportation maintenance shop for each piece of equipment in the inventory. This is the command's facility, and its capability and condition should be second to none. Maintenance productivity is dependent in large measure on the condition of available facilities, and with labor rates at $9 to $11 per hour, facility contribution to productivity is not to be ignored.

The Motor Pool should be located as close as possible to the center of use. Satellite pools should be considered for establishment in widely disbursed sites to achieve greater response. There is no restriction, for example, in setting up a satellite dispatch office manned by trained operations personnel at or near the administrative office or MAA shack.

5. Authorized Types of Equipment

A complete listing of available Navy equipment and vehicles by the Department of Defense (DOD) and Navy Codes is contained in Appendix C of NAVFAC P-300.

One of the precepts of transportation management is that the right piece of equipment for a job will save money. It follows that the personnel who are faced with deciding which piece of equipment to request as replacement items should be intimately familiar with the various equipment types and the needs of the activity or activities being served.

Note that the PWO is not limited by the Department of Defense lists. If the activity has a special requirement, the TEMC should be consulted.

B. INVENTORY MANAGEMENT

1. Objectives

The objectives which apply to inventory management are:

-The effective utilization of equipment; and

-The orderly procurement, assignment and replacement of equipment.

The operational readiness of any activity can be enhanced by maintaining the proper quantity and kinds of equipment necessary to meet essential functions.

2. Allowance Control

Transportation equipment, like personnel, is subject to allowance control. Allowances for various categories of equipment at a Naval activity are assigned and controlled by the Major Claimant on the advice of the TEMC. As with other resources, there is never enough transportation equipment available to fill 100% of all requirements. Available assets are apportioned out on a more or less "fair share" basis, with demonstrated utilization being the common measure of needs. There are always exceptions, of course, based upon unique local conditions, but as a general rule, the above guidelines for allowance apportionment are true, and a sound justification for an increase in allowance is the consistent exceeding of targeted mileage for that type of vehicle. Allowance changes are normally requested on the Annual Allowance and Requirements Review. Emergency requirements are negotiated on an individual basis with the Major Claimant and TEMC. The trick to exceeding assigned target mileage lies in local assignment and operation

practices. Factors other than mileage which might be considered valid justification for increases in allowance are:

-Projected change or increase in activity mission;

-Substantial increases in tempo of operations which cannot bear a year's experience under the existing allowance to demonstrate a need for allowance increases; and

-Changes in operational or different types of allowance.

Bear in mind that the claimant is also limited by an allowance, and unscheduled or unforeseen requirements means transferring vehicles within the claimant's allowance, not the creation of new allowances.

3. Equipment Acquisition

The most salient feature of the Navy's equipment acquisition process is that it takes a long time--two or more years to be specific. The reason for the delay is that the field requirements are assembled by claimants and TEMCs in priority order and forwarded to the Civil Engineer Support Office (CESO) at CBC Port Hueneme, California. CESO determines what fair share of budgeted funds each claimant will receive. It then initiates the procurement documentation and forwards the documentation to the procurement agency. After Congressional action is completed, the procurement and delivery requires one or more years to complete. A second notable feature is that acquisition can only be initiated once a year, in October, by way of the Activity Annual Allowance and Requirements Review. There are always emergency "short fuse" exceptions, but these always involve robbing some other station of a rightfully deserved and properly ordered piece of equipment.

Starting with FY-69, the General Services Administration (GSA) procures motor vehicles up to and including 10,000 GVW. This includes buses, sedans, station wagons, pick-up trucks and other small vehicles. A general summary of transportation procuring agencies is as follows: (Figure XI-3)

Type of Equipment	Procurement Agency
Motor Vehicles, 10,000 GVW & below	GSA
Motor Vehicles, above 10,000 GVW	Army
Construction Equipment	DSA
Firefighting Equipment (Structural)	DSA
Firefighting Equipment (Crash)	Navy
Weight Handling Equipment	DSA
Railroad Equipment	Army
Other CESE (Specialized)	Navy

The Naval Facilities Engineering Command (NAVFAC) has responsibility for the budgeting and release of procurement requests for the above types of equipment, including the preparation or selection of specifications.

4. Equipment Disposal

Unfortunately, an activity will have to dispose of equipment when it receives a replacement. No one is allowed to strip equipment for parts that has been sent to disposal. Procedures for disposal of equipment are covered in NAVFAC P-300 for equipment in condition codes better than N-4, E-4, O-4, R3, R4 and X. The basic procedure (See Figure XI-4) is the preparation and submission of a Standard Form 120 (Report of

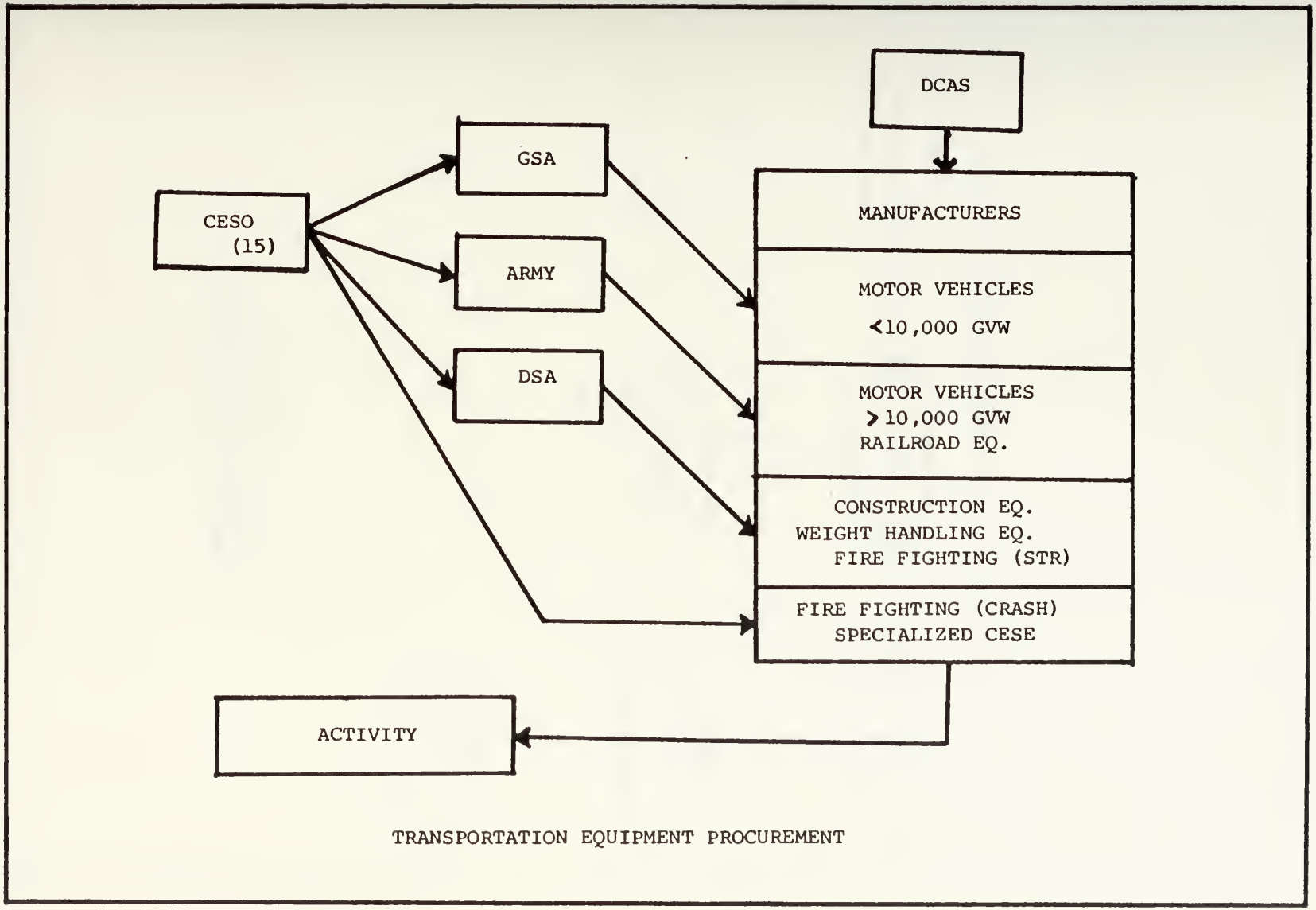
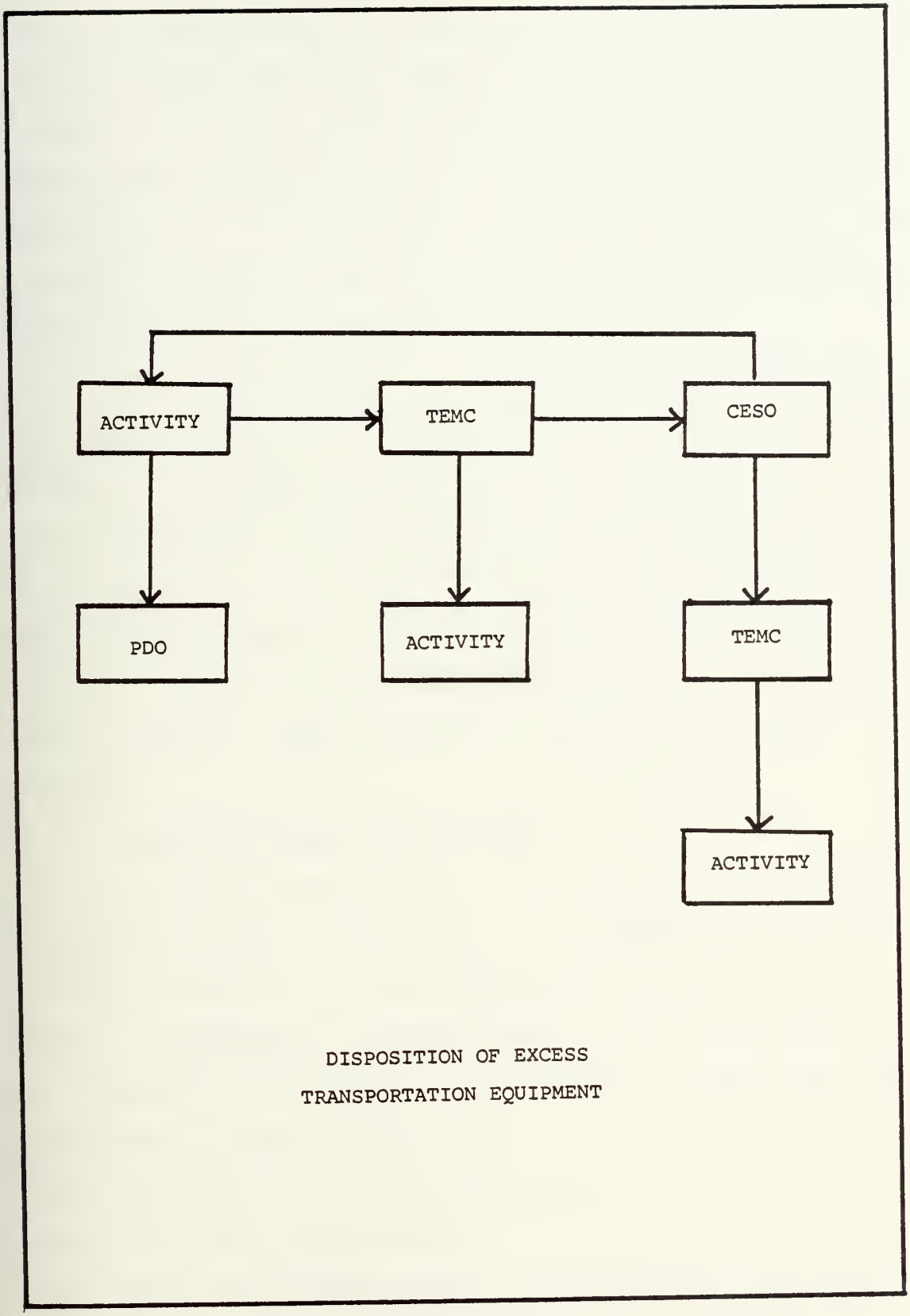

DCAS
GSA
CESO
(15)
ARMY
DSA
MANUFACTURERS
MOTOR VEHICLES
<10,000 GVW
MOTOR VEHICLES
>10,000 GVW
RAILROAD EQ.
CONSTRUCTION EQ.
WEIGHT HANDLING EQ.
FIRE FIGHTING (STR)
FIRE FIGHTING (CRASH)
SPECIALIZED CESE
ACTIVITY
TRANSPORTATION EQUIPMENT PROCUREMENT

Figure XI-3



DISPOSITION OF EXCESS
TRANSPORTATION EQUIPMENT

Figure XI-4

Excess Personal Property) to the TEMC who screens it for possible redistribution and then sends the SF120 on residual items to CESO for disposal. The only other action required at the station level is to hold the piece of equipment in its reported condition until instructions are received to transfer equipment to another allowance holder or move it to the Defense Property Disposal Office for disposal as excess.

A potential management problem for the PWO may occur when the Transportation Department does not dispose of replaced equipment. Retaining replaced equipment can result in more costly maintenance, diluted maintenance effort and a transportation pool that looks like a junk yard. The PWO should ensure that the Transportation Director understands the potential problems that can result from such actions and that retaining replaced equipment without the PWO's approval will not be tolerated.

5. Equipment Rental and Leasing

An activity can rent or lease vehicles and equipment. Equipment in excess to an activity's allowance may be rented for short periods if a valid requirement exists. In fact, rental is preferable to purchase when it will save money or fill a seasonal requirement. A few things to check when contemplating renting a vehicle are:

-Make sure there is a valid need for it;

-Make sure funds are available;

-Make sure the proposed rental is verified with the TEMC;

-Ensure that informal contract authority is available; and

-Ensure that the vehicle(s) fulfill the provisions of the Buy American Act, that is at least 55% of a vehicle must have been manufacturered in the U.S. before it can be utilized for Government service.

The rules for rental of vehicles are outlined in Part II of Chapter I of P-300.

6. Loan

Transportation equipment can be borrowed from or loaned to other Naval activities or to the Post Office. Loans to or from other Federal agencies shall be made in accordance with DOD Directive 4000.19.

7. Loan of Navy-Owned Equipment to Commercial Contractors

The policy set forth in OPNAV P44-2, states that a contractor shall be required to provide all necessary commercially-designed motor vehicles, standard construction and weight-handling equipment needed for contract performance. There are two exceptions to this policy.

a. Contractor Operated Naval Activities

A policy exclusion is made with respect to furnishing nonpassenger-carrying vehicles, construction and weight-handling equipment to Naval activities which are contractor operated

b. Best Interest of the Government

A policy exclusion may be requested for furnishing vehicles and equipment when it is considered to be in the best interest of the Government and the requirement can only be filled by the issuance of Government-owned equipment. Only a limited number of these exceptions should be necessary, as in a few instances of isolated overseas locations.

There are certain limitations in the granting of an exception. First, no contracting officer shall commit the furnishing of Government-owned commercially-designed motor vehicles and construction equipment to Navy contracts without a determination of availability and the prior approval of the Naval Facilities Engineering Command.

Secondly, the use of Navy-owned passenger-carrying vehicles by contractors performing work on Navy contracts will not be permitted. Any passenger-carrying vehicles required by contractors should be furnished by the contractors at their own expense.

The assignment of Government-owned equipment to contractors under the two exceptions will be within the following guidelines:

- Government-furnished nonpassenger-carrying vehicles and equipment assigned to Navy contractors shall be identified by USN registration numbers and reported in the transportation Equipment Technical Record Control System under the status symbol "C";

- When assignments of equipment under facilities contracts are made, they will be made to the supervisory officer or contract administrator for operation by the contractor;

- Excess transportation equipment not required to fill established Navy allowances may be assigned as Government-furnished equipment where adequate justification exists and prior approval has been obtained.

For further information refer to NAVFAC P-300 (Chapter 1, Part VII, Section 5).

C. VEHICLE AND EQUIPMENT ASSIGNMENT (CECOS, 1979)

1. Objectives

The principal objectives of vehicle and equipment assignments are:

-to provide essential transportation services to the customer; and

-to provide such services in the most cost effective manner.

The objective of providing adequate service may sometimes be optimized through individual and organizational assignments of vehicles. Conversely, the objective of maximizing equipment utilization and minimizing cost may be best achieved through the use of scheduled bus, taxi or truck services or Class "C" assignments. The essence of successful vehicle assignment practice, therefore, is to optimize the combination of these types of assignments so as to satisfy both the effectivenss and cost objectives. The Transportation Division Director is the executive responsible for accomplishing these objectives to the ultimate benefit of the station.

a. Types of Assignments

(1) Class "A" Dispatch. A continuous vehicle (sedan) assignment to a billet on a basis of responsibility or rank. Class "A" assignments must be approved by the Chief of Naval Operations. Normally a Commanding Officer's billet warrants a Class "A" vehicle, and properly documented requests for these will be approved. As you move down the command, however, you will encounter increasing difficulty in obtaining approval for Class "A" assignments. Class "A" vehicles cannot be used for personal use, nor can they be used as transportation to and from work. The type and size of sedans which can be assigned are actually the subject of legislation. The command should be briefed on these parameters, as outlined in DOD Regulation 4500.35R.

(2) Class "B" Dispatch. Class "B" Dispatch is the assignment of an automotive vehicle to an organizational unit of a command, or a tenant, on a continuous basis. Class "B" assignments are authorized by the Commanding Officer. Class "B" assignments should be subject to minimum utilization criteria; they should be made only where deemed absolutely essential to the mission, and not merely as a matter of convenience or used as a status symbol. These types of assignments usually result in lower utilization of a vehicle. The effects of poorly utilized or unvalidated Class "B" assignments are described in NAVFAC P-300, which says, in effect, that a station allowance for a particular vehicle group can be cut by the number of non-valid "B" assignments. In the case where a station can make a case for a Class "B" assignment on the basis of operational necessity or exceptional conditions alone, exceptions can be made in the utilization criteria. How do we provide the most cost effective transportation? The essential test of a "B" assignment is that the required functions cannot be cost effectively accomplished by the station bus system or taxi system or truck service or by a "C" assigned vehicle. Certain exceptions must be real and not merely so described to satisfy the criteria. Periodic surveys are to be made of all Class "B" assignments to ensure that vehicles are not being used on a convenience basis and are actually required to efficiently support the conduct of official business of the activity, office or department to which assigned. If a review reveals that Class "B" assignments are receiving below standard

utilization, generally the vehicles should be changed to Class "C" assignments. When reviewing Class "B" assignments, an economic evaluation should be made toward use of a radio controlled taxi system as a means of satisfying requirements for movement of personnel in lieu of maintaining vehicles in Class "B" assignment category. (Note: Requests for "B" assignments will vary inversely with the skill and responsiveness of your dispatcher).

(3) Class "C" Dispatch. Pool vehicles are dispatched on an individual trip basis, either as "U-Drive", or chauffeured equipment. This type of assignment invariably results in the most efficient utilization of transportation equipment. Since the tendency of a vehicle to wear out and break down increases with the number of drivers, "U-Drive" vehicles are usually in the shop more often than individually assigned or chauffeur driven vehicles. This tendency can be reduced by an active driver education and licensing program and by disciplining individuals who are observed abusing equipment.

2. Dispatching

Well coordinated dispatching of Class "C" pool vehicles can help solve (or avoid) many assignment problems. A customer who can always depend on quick and courteous response to a telephoned request for transportation will be much less apt to clamor for his own Class "B" assignment. As one of the two or three "public" points of contact in the department, the dispatcher plays a key role, not only in successful transportation

operations, but also in projecting the image of the entire Public Works organization to the customer. His courtesy, flexibility and dispatching skill will not only effect customer relations, but will result in smoother PM scheduling, reduced major maintenance (by being sensitive to driver complaints), maximum utilization of equipment and accurate records of vehicle use. A dispatcher should, therefore, be carefully screened and trained to ensure that he knows the capabilities and limitations of onhand equipment, is familiar with the local area and routes, is thoroughly versed in authorized usage and other regulations, has the ability to exercise good judgment and communicate tactfully with customers, and is knowledgeable in the local transportation emergency plan. It goes without saying that he should be consistent and proper in his day-to-day dispatching duties.

a. Trip Tickets

The trip ticket Vehicle/Equipment Request and Record Form, NAVFAC 9-11240/1 (3-68) (Figure XI-5) is generally recognized and accepted for use in dispatching vehicles for all off-station trips and it will continue to be employed for this purpose. The use of the trip ticket for Class "A" assignments on-station is optional and is to be determined by the activity commanding officer. The use of the trip ticket for Class "B" assignments on-station is also optional. Trip tickets should be used for all Class "C" assignments. Whenever a utilization study is required, it will be necessary to apply the trip ticket to all operations. Six months after the entries

VEHICLE/EQUIPMENT REQUEST AND RECORD

NAVFAC 9-11260/1 (3-68) S/N-0105-004-1150

Supersedes NAVDOCAS 11260 1 (5-65)

PART A To be filled in by Requesting Activity

1 REQUESTING ACTIVITY | 2 TYPE EQUIP REQUESTED | 3 WITH OPERATOR ☐ YES ☐ NO

4 REPORT TO (Name, Bldg., Room) | 5 PHONE

6 REPORTING TIME: DATE | TIME | 7 DESTINATION

8 ACCOUNT NO. DATA CHARGEABLE

9 NUMBER OF PASSENGERS | 10 DATE

PART B Transportation Dept. fills in on receipt of request.

REQUEST RECEIVED: DATE | TIME | RECEIVED BY (Dispatcher)

PART C. DISPATCH AND USE INFORMATION

1 REG STATION NO | 2 EQUIP TYPE | 3 EQUIP CODE

4 DATE DISPATCHED | 5 TIME IN / OUT | TOTAL HOURS USED

6 DATE RETURNED | 7 METER READING IN / OUT | 8 TOTAL MILES

9 DISPATCHER (Init. or Sig.) | MMA CENTER

10 GALLONS | COST

11 EQUIP ISSUED FROM DEPT'S OR SOURCE | $

12 (If Needed) Account trip information and or correct deficiency

This information to be entered on reverse side

PART D. TRIP INFORMATION

1 DESTINATION	2 TIME ARRIVE	3 TIME DEPART	4 ODOMETER READING	5 REPORT TO

I certify equipment was used for OFFICIAL purposes

1ST OPERATOR (Signature) | 2ND OPERATOR (Signature)

NAVFAC 9-11260/1 (3-68) (BACK)

☆ U.S. GOVERNMENT PRINTING OFFICE 1973—786-361/5276

FRONT SIDE

BACK SIDE

TRIP TICKET REPORT

have been completed the vehicle trip ticket and Dispatchers' Log will be destroyed. In some instances, trip tickets must be retained for at least a year. The Navy pays no gas tax except when using public highways. It is imperative that reports to state authorities be backed up with accurate records to minimize this expense.

b. Types of Dispatch

There are three classes of dispatch: on call; scheduled; and U-Drive-It.

(1) On Call Dispatches. On call dispatches are for those services which can be performed by the one time dispatch of a vehicle for short periods of time, usually not longer than a duty day. This includes the dispatch of a pool "taxi vehicle" or providing a "U-drive-it" vehicle for operation by the user. This portion of the motor pool resources normally satisfies the bulk of the installations administrative vehicle requirements. This type service must respond to transportation requirements of an intermittent nature and can consist of normal or radio dispatch. However, radio equipped vehicles provide an additional element of control and response.

(2) Scheduled Service. Scheduled dispatch services provide for the operation of vehicles on a regular schedule. Each installation or activity normally has requirements for scheduled transportation services in the form of bus service, taxi service, or freight hauling. Requirements of this type are usually for services between offices and operational sections and satellited activities of the installation. These

services may be intrastation or interstation services, depending on the geographic layout of the installation. Normally, interstation service will be for trips not to exceed 75 miles one way or 150 miles per day. It is DOD and Navy policy not to compete with commercial carriers. Scheduled services will normally range from scheduled activity bus service (shuttle bus service) for the movement of station personnel to scheduled truck delivery services for laundry, commissary, supply, mail and transportation for dependent school children. The installation standing operating procedure for motor transport services normally will prescribe the extent of scheduled activity bus services which will be used and set forth the criteria and circumstances under which other passenger vehicles may be requested in lieu of those services.

(3) U-Drive-It Dispatch Service. Vehicles in this category are normally passenger and light cargo trucks, made available to using organizations and activities of the installation for support of official use functions and operated by personnel assigned to the using agency. Dispatch periods range from single trips of short duration to trips associated with the travel portion of temporary duty. U-Drive-It services may also be used to meet peak workloads, one-time requirements of a singular nature, or to provide vehicles of a particular type or design. All operators of U-Drive-It vehicles must be properly licensed, qualified, and thoroughly familiar with the local motor vehicle transport operating procedures of the installation. Control of the operation of U-Drive-It vehicles

will extend to providing procedures which will (1) assure against vehicle misuse and (2) assign responsibilities for safety and security of the vehicle.

3. Utilization and Targets

As has been stated, high utilization of assigned equipment is one of the primary goals of transportation management. Each category of administrative use equipment at an activity is targeted in advance to achieve a certain usage, expressed either in miles or hours. The actual usage, expressed as a percentage of the target, is called the utilization factor and is used as a primary measure of transportation management effectiveness and activity need for the various equipment codes by those who control allowances and vehicle replacement. Vehicles are jointly targeted by the station and TEMC. Utilization is computed on a average basis for each equipment alpha code subject to the program. Not all of the vehicles and equipment are subject to targeting. Examples of exceptions are fire trucks, ambulances or other specialized equipment or vehicles in a transportation pool with less than ten vehicles. The fact that a vehicle, or class of vehicle, is not subject to high utilization does not exempt it from the replacement criteria of mileage and age as outlined in P-300. Mileage or hour targets are established and modified primarily on the basis of historical mileage. Part of the utilization review process also includes review of Class "B" vehicles assigned based upon past mileage or demonstrated need. The document which is used to review utilization at the TEMC is the Annual

Allowance and Requirements Review, column 3d, NAVFAC Form 11200/28.

Utilization at the activity level is monitored through quarterly utilization reports, NAVFAC 9-11240. Targeting procedures are explained in detail in the NAVFAC P-300.

a. Utilization Control

The most pressing question for the PWO is "How can I control utilization?" The specific answers to this question are to be found only at the individual activity, however, various clues, tips, procedures, and other remedies are presented herein to at least give the beginner some idea of how to tackle the problem.

There are several reasons why an equipment item is not achieving a target. The following are listed to prime the pump of management action.

You can control these elements which effect utilization:

-Command policies;
-"B" and "C" assignments;
-Rotation of vehicles
-Dispatch coordination;
-Types of Class "C" dispatch;
-Maintenance schedules;
-Maintenance downtime (deadline);
-Targets (in part);
-Parts supply (in part);
-Legitimate usage;

-Vehicle rental; and

-Accidents.

b. Tips

(1) Educate the Commanding Officer. Make a formal, illustrated ten minute briefing to the Commanding Officer on the effects of utilization on allowance, vehicle replacement, and maintenance. At the same time, explain CNO and DOD policies on Class "A" and "B" assignments. This time will solve most of your problems before they ever become problems and will buy credibility.

(2) Educate the Customer. Publish the Commanding Officer's briefing in the station newspaper.

(3) Monitor Utilization. Make sure that accurate quarterly utilization reports are being prepared and analyzed by the Transportation Division--with cooperation from "B" assignment holders. Make sure that the Transportation Division Director is identifying and tracking significant variances in vehicle utilization.

(4) Isolate the Offender. A lag in utilization can usually be attributed to a particular assignment or assignment holder (specific vehicles).

(5) Don't Jump the Gun. Get at least six months data--or enough to establish a trend, before taking corrective action. Do not play musical assignments.

(6) Communicate. Discuss low utilization with the principal recipient of the service in question. The user may have the solution to the problem.

(7) Check the Target. Maybe it is no longer valid. With "B" assignments, remember that need is a criteria along with mileage targets. If necessary, phone and write the TEMC requesting an adjustment.

(8) Switch Vehicles. This won't effect utilization averages, but will assure uniform replacement of the fleet.

(9) Cancel "B" Assignments and Increase Bus Service. If transportation is getting low utilization and a lot of no-service complaints, this is the answer. Make sure that those who lose their assignments get extra good taxi and bus support to reduce the post-operative trauma. Do this only after it has been ascertained that the targets are realistic and that the "B" assignments are based more on convenience than on acutal need.

(10) Rent Vehicles. If there is a permanent assignment for a seasonal requirement, the PWO should consider renting vehicles. No allowance is required for a rental period of under 30 days, but the PWO may rent vehicles for a 90 day period if there is an established allowance. Periods in excess of 90 days require approval from higher authority.

(11) Cut Your Allowance. It might sound preposterous, but if the activity actually does not need a vehicle, it is not worth fighting to retain it.

(12) Switch Drivers and Vehicles in the "B" Pool. There should be no discrimination against vehicles on the basis of make or model.

(13) Switch Runs. Rotate the vehicles on the long-haul run. Again, this is to balance usage, not increase utilization.

(14) Coordinate Maintenance. To maximize vehicle availability (See PM Records).

(15) Prevent Excessive Downtime. This can be done in several ways as discussed in Part D. The standard is 7% of the allowance, and this breaks down to 2% waiting, 2% being worked and 3% awaiting parts.

(16) Cut Down on "Dead Time". How much total time do trucks spend on each short run? More coordination might be indicated.

4. Driver Training and Safety

Navy vehicles require drivers with Navy drivers' ID SF46 as well as a state license. Navy driver' tests, when required, are normally administered by an operator examiner of the Transportation Division. Guidance on driver training is contained in NAVFAC P-300; NAVFAC MO-403, Navy Driver's Handbook; NAVFAC P-306, Testing and Licensing of Construction Equipment Operators; and NAVORD OP-2239, Driver's Handbook Ammunition, Explosives, and Dangerous Articles. It is notable that Driver Safety Programs stem directly from CNO. Your dispatchers should check driver's licenses of personnel checking out Class "U-Drive-It" dispatch vehicles.

The Station Safety Office has responsibility for the preparation and promulgation of safety regulations for all Navy automotive vehicles and other transportation equipment. It is

always sound policy to promulgate safe driving through posters, POD notices, and occasional lectures with accident movies. In addition to the obvious benefits of fewer accidents, careful driving can drastically reduce the less dramatic maintenance expenditures for burned up clutches, tires and brakes, broken transmissions, and other by-products of haphazard and sloppy driving practices. The only way to curb observed careless driving is to take the time to track the driver down and institute disciplinary action where necessary.

5. Operation of Construction and Weight Handling Equipment

Operation of construction equipment at a Naval activity will normally pose very few problems because it is largely an "in-house" Public Works operation. Weight handling equipment maintenance and operation has had high level attention of late, especially in the area of crane operations and maintenance. VADM Hymen Rickover has taken a personal interest in this area at bases supporting submarines. You must certify your cranes annually as being safe and reliable. Read and understand the new program for inspection, test and certification of this equipment in Chapter 2, Part 3, Section 3 of P-300. A few of the typical problems that are likely to arise are: (1) coordination problems with the Maintenance Division; (2) problems involving equipment capabilities (don't succumb to the temptation to misuse construction equipment! In these matters, the operator, not you or the Maintenance Division Director, is the expert); and (3) maintenance problems involving long lead time parts procurement. Each of these problem areas can be minimized

with the Shop Engineer's and PWO's attention. The parts problem, if it exists, can usually be sidestepped by contracting for major maintenance of construction equipment.

It should be borne in mind that most construction equipment is subject to utilization analysis, just as are your road vehicles.

6. Operation of Buses for Dependent Children

Authority is granted under Titles I and III of Public Law 874, 81st Congress, as amended (20 USC, Sec 236-244), the U.S. Office of Education, Department of Health, Education and Welfare, was given authority to extend Federal assistance to eligible local educational agencies providing education for children residing on Federal property, including military installations. The requirements for a school district to be eligible are that the school district must have the lesser of 400 or 3% of the total number of children who are in average daily attendance either residing on Federal property or whose parent is on active duty as a member of the Uniformed Services during the year of application. If eligibility is met on the basis of the percentage, then there must be at least 10 Federally connected children in average daily attendance.

Department of Defense transportation facilities may be used for transportation of dependent school children under these specific situations. Transportation may be provided to:

-Local public schools when the school is not accessible;

-Nearby public schools, other than local public schools when the nearby public school is not accessible, or the Secretary of the military department concerned has determined

that local public schools in which the children would normally be enrolled are unable to provide adequately for their education; that attendance at other public schools (to include public schools for the handicapped) in the local educational agency district of residence can be arranged; and that transportation is not authorized under the provisions of Titles I and III, Public Law 874, 81st Congress as amended (20 USC, Sec 236-244).

-Adequate private schools within a reasonable distance if the public school is not accessible, and private school transportation, either with or without cost to the child, is not available; the parent of the child submits a written request for transportation, setting forth the reasons therefor; the military commander concerned determines either the public schools, if any available in the locality, are unable to provide adequately for the education of the child concerned or the general morale of the personnel concerned would be served by providing transportation for those desiring to attend a private school; or the vehicles authorized for transporting dependent school children to public schools that have extra space, and can convey those attending private schools without materially deviating from the established route to the public school.

-Only when the U.S. Commissioner of Education advises that it is not authorized under the provisions of Public Law 874.

-Only one trip to the school and one trip from the school per school day is authorized for any one child.

-When more than one military installation is involved transportation arrangements will be coordinated.

-Dependent school children may use available regularly scheduled DOD transportation within and between installations when traveling to and from school, in order to make connections with regular means of transportation. Similarly, special transportation may be provided within the installation, where to do so would serve to make schools accessible by regular means of transportation.

-Where it is necessary for a military department to provide transportation for dependents to public schools, or to schools operated on military installations for dependent children, written agreements shall be entered into with the local educational agency as to the services and facilities to be furnished and the arrangements for reimbursement.

-Reimbursable costs shall be credited to applicable appropriations, and shall consist of cost incident to operation, maintenance, and depreciation of the equipment, including, but not limited to, fuel, oil, and other consumable supplies used, as well as the compensation of drivers (military and civilian) directly engaged in providing the transportation service.

The cost of compensation of civilian drivers shall be computed on the basis of their gross payroll compensation, plus a factor of 29% of gross payroll compensation for fringe benefits.

The cost of the compensation of military drivers shall be computed on the basis of the reimbursement rates for military personnel set forth in applicable regulations of the military department concerned.

The Secretary of a military department may permit exceptions to be made by the installation commander when the route to school is through areas of heavy traffic, blighted urban or residential districts, or potentially dangerous industrial or construction areas. The age of the children involved shall also be considered. All other exceptions must be approved by the Secretary of the military department concerned.

In requesting exceptions for Secretarial consideration, the installation commander concerned shall forward factual data and documentation to show what it would be clearly detrimental to the welfare of the personnel concerned not to make exceptions. Requests will be submitted through appropriate channels.

7. Operation of Railway Equipment

The principal types of work performed by railway equipment at Naval shore activities comprise movements of material and equipment within the confines of the activity itself. The nature of the equipment and material moved by rail is such that the quantity, weight, or size involved, either as single units

or in the aggregate, is large enough to make the use of railway equipment essential. Aside from the nature of the items to be hauled, continued operation of railway equipment means that there are consistent and regular demands for movement of materials by rail.

The railway service area and traffic pattern vary considerably among Naval shore activities. Shipyards usually present a congested complex within a limited and heavily traveled area. Ordnance depots and magazines may extend for miles in a relatively open area, where careful operation is influenced by the nature of the cargo rather than by the traffic pattern. Aviation shore activities, Naval stations, supply depots, and other installations range in size and congestion between the extremes mentioned. Limited areas at certain Naval shore activities does not mean that operation of railway equipment at these activities is confined to yard service within yard limits. A yard in railway terminology is a system of tracks within defined limits, provided for the making up of trains, storing of cars, and other purposes, over which movements not authorized by time-table or by train order may be made, subject to prescribed signals and rules or special instructions. Considerable movement of working railway equipment at Naval activities is controlled by train order or verbal order of the train dispatcher regardless of the area involved. Much of the dispatcher-controlled operation is main line in nature.

Railway equipment in use at Naval activities consists of railway locomotives, railway locomotive cranes, and various

types of standard and specialized railway cars. Most railway locomotives used by the Navy range from the 20 ton to the 120 ton class and are powered by diesel electric engines. Railway cars include the usual standard types such as flat, gondola, box tank, hopper, refrigerated, and caboose. Specially-equipped railway cars include ordnance, power generation, and other units for special purposes.

8. Equipment Records

Records are kept of the acquisition, assignment, usage, and maintenance history of every piece of transportation equipment. The purpose of these records is to provide data which will enable management to pinpoint excessive cost areas, poor utilization, and recurring problems in maintenance. Acquisition (manufacturer's) data and record of maintenance in the form of old shop repair orders are maintained in individual equipment history jackets. Utilization and assignment data is recorded by equipment type and user on quarterly utilization reports and annually on the Transportation Cost Report (NAVCOMPT) which also lists cost data for maintenance and operation. The necessity of the various records kept on Navy transportation has often been questioned, but, to date, no alternatives have been proposed which will satisfy DOD and Federal information requirements while giving local management the necessary detail of information on which to base decisions. Apathy or dismissal of records as "unnecessary paperwork" at the division or branch level is symptomatic of a lack of understanding of the basic management objectives in transportation or just plain

laziness. Insist on cost effective budgets (NAVCOMPT 2169) and hold the Transportation Division Director to performance within the budget.

D. TRANSPORTATION MAINTENANCE MANAGEMENT (CECOS, 1979)

1. Maintenance and Repair

a. Objectives

The objectives of Navy transportation maintenance vary little from the objectives of a private owner with regard to maintaining his own automobile. The prime objective of maintenance management at the activity is to keep the fleet on the road in a safe and serviceable condition and maximize economic life at the optimum cost. The key to effective maintenance lies in maintaining only as necessary--not maintaining vehicles in perfect condition--and in effective maintenance scheduling and accomplishment. The procedures used to accomplish these objectives are essentially the same as in the maintenance management programming, namely systematic preventative maintenance and inspections, orderly work generation and reception, work classification, consistent planning and estimating, utilization of established estimating guides, workload programming and scheduling, and systematic record keeping for subsequent analysis and management action. Sometimes these elements fail to interact smoothly, and it is in these instances that the imagination and management skill of the PWO comes into play. It is to the potential trouble areas that we will address this section.

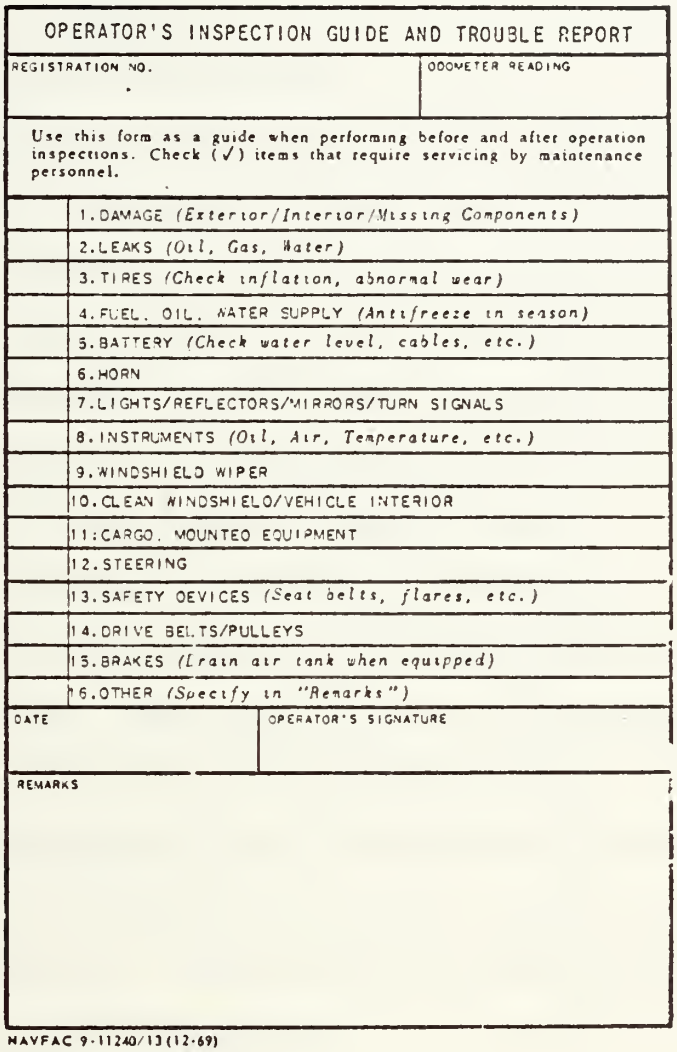
b. Preventative Maintenance

There are three types of PM: Driver/Operator PM (or operator inspection); Service Station PM; and Scheduled PM.

The biggest problem with the Driver Maintenance is in getting the driver to do it. (This is not as great a problem with construction equipment.) Each trip ticket issued is accompanied by a NAVFAC Form 9-11240/13 (12-69) (Figure XI-6) which is nothing more than a checkoff list on which a driver can note conditions which don't seem right to him/her. The instructions are very explicit. Even where a trip ticket is not used, every driver should be required to complete an Operator's Inspection Guide and trouble report after each day. This should be required on both "B" and "C" assigned as well as regular transportation drivers. This is the only way you can ensure safe and reliable equipment.

The second problem is the occasional instance where discrepancies are noted, but no corrective action is initiated by the dispatcher. These problems stem from laziness, ignorance,

"LT Smith, we'll have to keep the CO's car another day, There is a deviled egg in the carburetor."



OPERATOR'S INSPECTION GUIDE AND TROUBLE REPORT

REGISTRATION NO.	ODOMETER READING

Use this form as a guide when performing before and after operation inspections. Check (✓) items that require servicing by maintenance personnel.

	1. DAMAGE *(Exterior/Interior/Missing Components)*
	2. LEAKS *(Oil, Gas, Water)*
	3. TIRES *(Check inflation, abnormal wear)*
	4. FUEL, OIL, WATER SUPPLY *(Antifreeze in season)*
	5. BATTERY *(Check water level, cables, etc.)*
	6. HORN
	7. LIGHTS/REFLECTORS/MIRRORS/TURN SIGNALS
	8. INSTRUMENTS *(Oil, Air, Temperature, etc.)*
	9. WINDSHIELD WIPER
	10. CLEAN WINDSHIELD/VEHICLE INTERIOR
	11. CARGO, MOUNTED EQUIPMENT
	12. STEERING
	13. SAFETY DEVICES *(Seat belts, flares, etc.)*
	14. DRIVE BELTS/PULLEYS
	15. BRAKES *(Drain air tank when equipped)*
	16. OTHER *(Specify in "Remarks")*

DATE	OPERATOR'S SIGNATURE

REMARKS

NAVFAC 9-11240/13 (12-69)
Supersedes DD Form 1358
S/N 0105-LF-004-1195

OPERATOR'S INSPECTION GUIDE AND TROUBLE REPORT

Figure XI-6

or both and should be dealt with as such. Lack of early identification and correction of certain deficiencies can not only result in the compounding of maintenance, but can also endanger human life and property.

c. Service Station PM

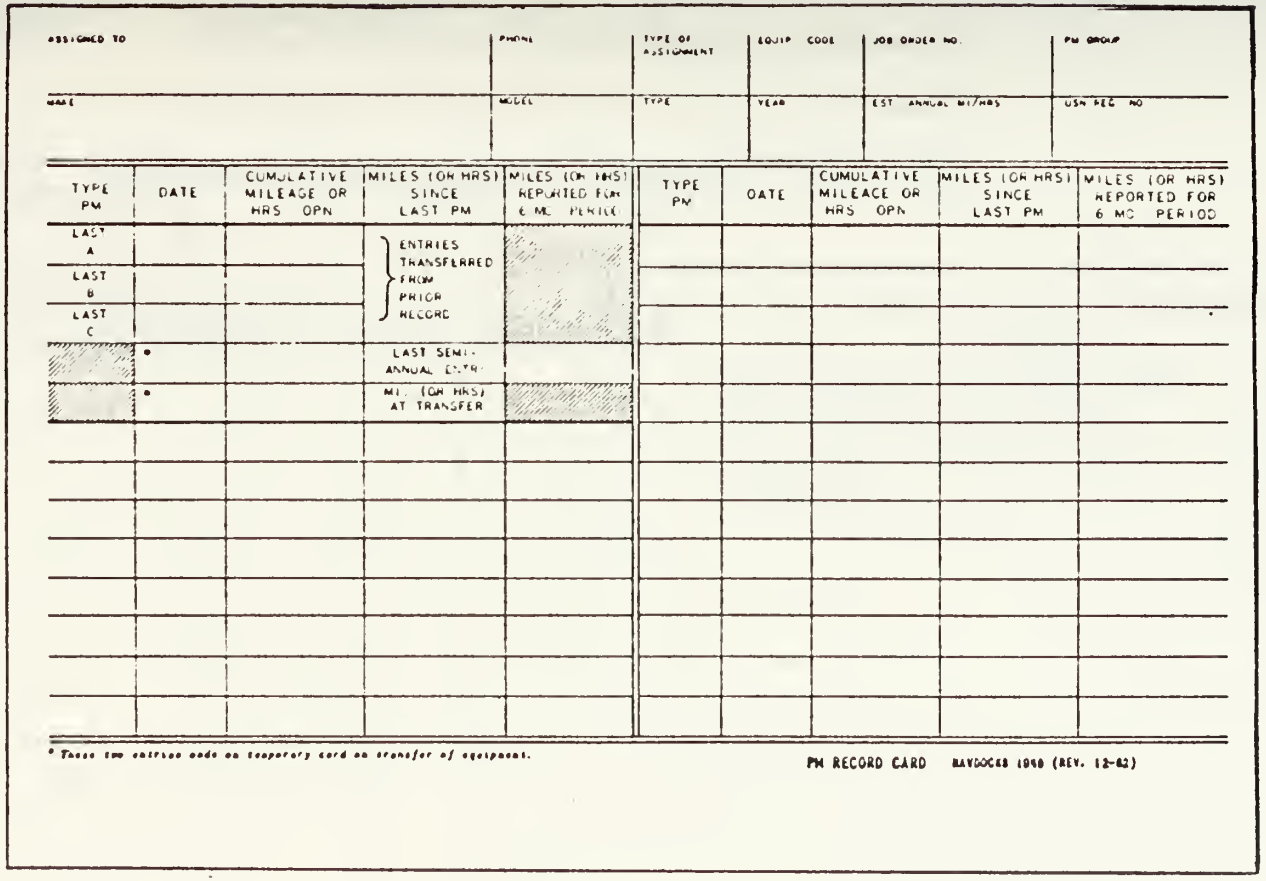
Service station PM is of the same type you would expect from any first rate filling station when you purchase gas; namely, washing the windshield, checking the oil, battery and radiator water, fanbelt, tire condition, etc. Unfortunately, inroads in personnel ceilings have sometimes curtailed this type of maintenance, but provide it if you can. This represents one of the "visible" areas of Public Works.

d. Scheduled Preventative Maintenance

The third type of PM is where most actual maintenance takes place. This type of PM is the equivalent to taking your own car in for an oil change and service. Schedules for PM are the responsibility of the Equipment Maintenance Branch and are kept in the form of PM Record Cards (Figure XI-7) in a "tickler" card file. Vehicles will be maintained according to manufacturer's recommendations.

2. Repair Procedures

A Shop Repair Order (SRO) (Figure XI-8) is the transportation equivalent of the specific job order. It is normally initiated by the Control Section Inspector/Estimator or other specifically authorized personnel designated by the Equipment Maintenance Branch supervisors. It is the authorizing document, estimating form, and cost control record of maintenance



ASSIGNED TO		PHONE	TYPE OF ASSIGNMENT	EQUIP CODE	JOB ORDER NO.	PM GROUP
NAME		MODEL	TYPE	YEAR	EST ANNUAL MI/HRS	USN REG NO

TYPE PM	DATE	CUMULATIVE MILEAGE OR HRS OPN	MILES (OR HRS) SINCE LAST PM	MILES (OR HRS) REPORTED FOR 6 MO PERIOD	TYPE PM	DATE	CUMULATIVE MILEAGE OR HRS OPN	MILES (OR HRS) SINCE LAST PM	MILES (OR HRS) REPORTED FOR 6 MO PERIOD
LAST A			ENTRIES TRANSFERRED FROM PRIOR RECORD						
LAST B									
LAST C									
	*		LAST SEMI-ANNUAL ENTRY						
	*		MI. (OR HRS) AT TRANSFER						

* These two entries made on temporary card on transfer of equipment.

PM RECORD CARD NAVDOCKS 1040 (REV. 12-62)

PREVENTIVE MAINTENANCE CARD

Figure XI-7

NAVFAC 11200/3A (REV 1-73)
SUPERSEDES NAVDOCKS 1948
S/N 0108-LF-004-1001

SHOP REPAIR ORDER

PAGE ____ OF ____

(1) SRO NUMBER | (2) JOB ORDER NUMBER | USN NUMBER

(3) EQUIPMENT DESCRIPTION | (4) MAKE | (5) MODEL | (6) YEAR | (7) EQUIP CODE | (8) SOS ALPHA

(9) ACTIVITY | (10) PHONE NUMBER | (11) LABOR "A" TYPE PM | (12) LABOR "B" TYPE PM | (13) LABOR "C" TYPE PM | (14) ACCU MILES/HRS

TO BE COMPLETED UPON EQUIPMENT AVAILABILITY FOR MAINTENANCE REPAIR

PM GROUP (15) | PM TYPE DUE (16) | PM DATE DUE (17) | (18) DOWNTIME: IN (DATE, TIME) | OUT (DATE, TIME) | TOTAL HOURS | (19) PRESENT METER READING

(20) WORK GENERATION (Check applicable box)
☐ 1 - SCHEDULED ☐ 2 - INTERIM ☐ 3 - BREAKDOWN ☐ 4 - ACCIDENT

(21) SCHED FOR REPLACE (Approx No. Months)
☐ 3 ☐ 9 ☐ 12

(22) WORK PERFORMANCE
☐ 1 - OWN ACT EQUIP ☐ 2 - CUST EQUIP

(23) REPAIRED BY
☐ 1 - OTHER GOVT/SHOP ☐ 2 - COMM CONT

MATERIAL RECORD

(24) QTY	(25) DESCRIPTION	(26) MFG PART NO.	(27) AMOUNT

(28) WORK CTR	(29) LCC	(30) MAN-HRS SCD	(30) MAN-HRS ACT

(31) WORK DESCRIPTION

		(32) MECH. INIT
LUBE CHASSIS (SERVICE AIR CLEANER AND BATTERY)	1	
CHANGE MOTOR OIL AND FILTER CARTRIDGE	2	
REPLACE BATTERY (CLEAN TERMINAL AND BOX)	3	
ADJUST BRAKES	4	

(33) PARTS ON ORDER (Requ. Numbers) | (34) TOTAL MATERIAL $

(35) TOT LABOR HRS.

(36) WORK AUTHORIZED (Inspector's Signature) | DATE

(37) WORK APPROVED (Supervisor's Signature) | DATE

(38) CONTRACTUAL SERVICE REQUEST (Receipt of above order and equipment is hereby acknowledged. Permission to exceed work specified above MUST BE AUTHORIZED by requesting activity).

CONTRACTING FIRM

SIGNATURE | DATE

FOR CUSTOMER JOB ESTIMATING

(39) LABOR (MAINT.) ____ HRS. = $ ____

(40) LABOR (OPER.) ____ HRS. = $ ____

(41) MATERIAL $ ____

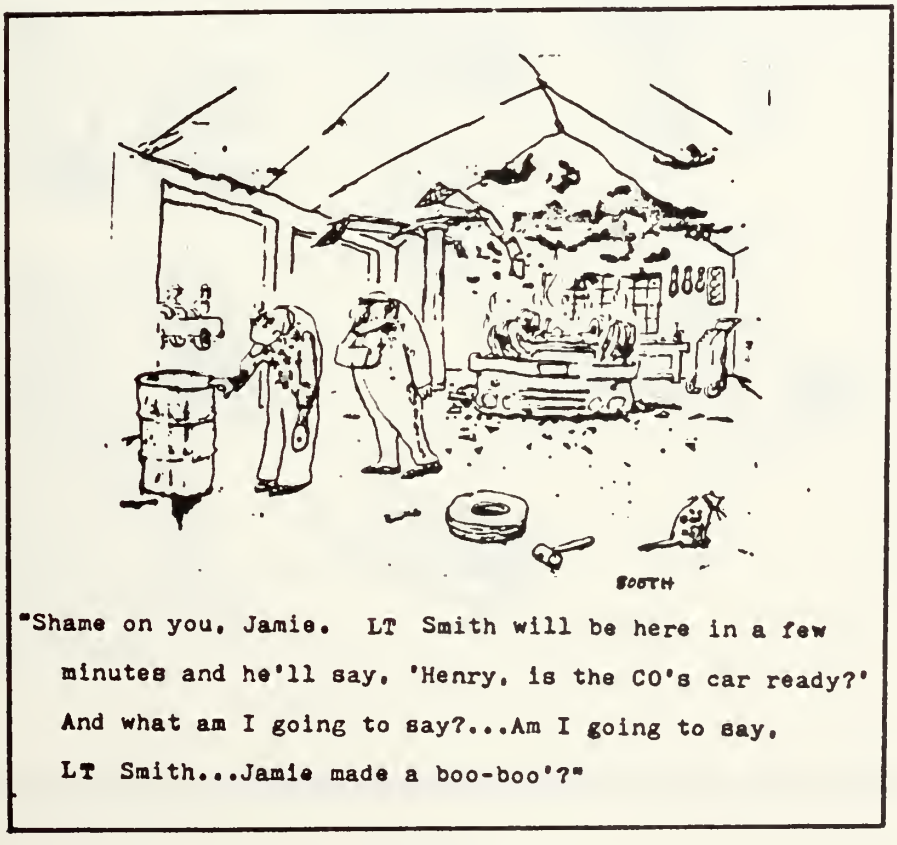
(42) OTHER $ ____

(43) TOTAL COST $ ____

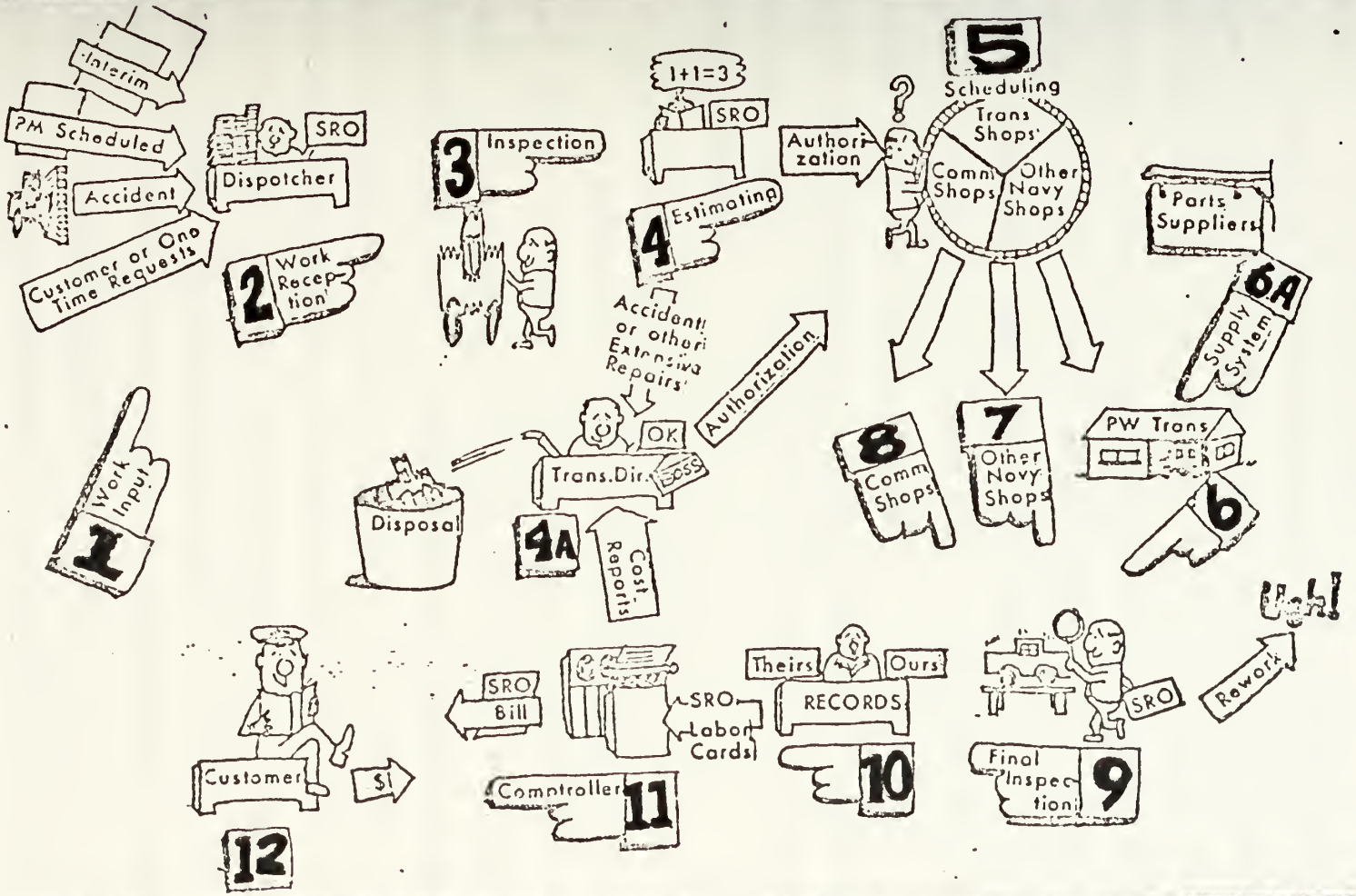
GPO: 1977-707-743

SHOP REPAIR ORDER

expenditures. Repair costs are estimated in advance on it to ensure that costs do not exceed economic limitations (half of current value) and to provide a standard against which to measure actual job performance and productivity of the mechanics. Estimates for transportation repairs are taken from Commercial "Flat Rate Manuals" or estimating guides. Actual labor costs and material costs are logged on the SRO by shop personnel, and the completed document then serves as a principal source of data for transportation reports and analysis. Most problems with repair work have traditionally been related to parts availability. Without discussing responsibilities or assigning blame for this problem, the solution usually lies in the establishment of local sources of supply, either Blanket Purchase Agreements



"Shame on you, Jamie. LT Smith will be here in a few minutes and he'll say, 'Henry, is the CO's car ready?' And what am I going to say?...Am I going to say, LT Smith...Jamie made a boo-boo'?"



LIFE-CYCLE OF A SHOP REPAIR ORDER

or Contractor Operated Parts Stores. These alternatives are discussed in following paragraphs.

The other general problem can be related to making vehicles available for repair. There is not a pat solution to this problem. The only guidance would be to consider shift operations if this is a major source of friction. As previously stated, one of the primary objectives of transportation is to minimize downtime. This is accomplished through effective scheduling of planning maintenance work to avoid having vehicles sitting in the pool awaiting repair. Coordination is required between the dispatcher and the shop supervisor to achieve this objective. With a well organized PM schedule, it should not become a problem.

a. Maintenance Manhour Standards

Standards for each type of equipment are given in hours per 1000 miles or hours per year in Appendix J of NAVFAC P-300. They are used to measure maintenance efficiency on the NAVCOMPT 2168/2169. It should be noted that the maintenance manhour standards are also utilized in calculations by higher authority to apportion maintenance funds to various activities. Total maintenance costs are calculated on the basis of predicted usage (targets) and maintenance manhour standards and should be used to develop the maintenance expense portion of your transportation budget (NAVCOMPT 2169). They can also be used to calculate adequate staffing of your maintenance shops.

b. Standardization

One problem in the Navy transportation management program is the fact that there is no standardization of equipment

by manufacturer. The Navy must buy vehicles competitively. A station with an allowance for 4 pickup trucks might be assigned one Ford, one Dodge, one Chevrolet, and one International. Logistic requirements for parts support are therefore compounded by a factor of four.

It should also be noted that logistic problems can also occur with a new 1980 Ford in that it may have a 1978 fuel pump and a 1977 transmission. The method by which Government contracts are written, manufacturers can use past year pasts on a current year vehicle. Therefore, it is important for the Transportation Maintenance Director to verify a part number before purchasing a replacement part.

The problem is further complicated by built-in lead times in the supply system, and a natural hesitancy to tie up a lot of Navy Stock Fund capital and warehouse space in spare parts stock. The solution, of course, is to depend heavily on local support where it is available. Normally, a Supply Officer is willing to exercise his/her local procurement authority through Blanket Purchase Agreements or Purchase Orders. His/her cooperation will be furthered by the willingness of Public Works Transportation Division to identify and order items which can tolerate a long lead time for procurement "in the system". On some parts, such as tire chains, spark plugs, and batteries, the Supply Officer is required to procure through the GSA/DSA system. A recent innovation which has had varying degrees of success is the Contractor Operated Parts Store (COPARS). This is a contractural arrangement with a private vendor to operate

a parts store on the station itself with his guarantee to supply certain categories of parts with specified limits. If your station transportation fleet has any size to it, this arrangement should be considered.

c. Warranties

Take advantage of warranties unless it will cost more in driver expense to take the vehicle to the dealer for warranty services than repairing the vehicle "in-house".

3. Commercial Repair

Contracts should be utilized for commercial repair with the same general philosophy as used in contracted facility maintenance; namely, for specialized types of work, or as a relief valve when work gets backlogged. Your OICC contract authority should give you the authority. CAUTION: Many supply officers consider this their area of responsibility; therefore, any contract should be discussed and coordinated with them. If there is a question in this regard, be sure and verify with the local TEMC. Body repair work is a natural for contract in most cases. Guidance for preparation of repair contracts can be found in NAVFAC P-68.

E. TRANSPORTATION MANAGEMENT CONTROL

1. General

Management can be defined briefly as achieving the planned objective within the planned resources. Most everyone can achieve an objective with unlimited funds; the real test of the manager is getting the job done with limited or constrained

resources. A primary element of good management is control of resources, both O&M,N funding and equipment utilization.

2. Budget Control

The O&M,N resources, in terms of funding and personnel ceiling, to implement a cost effective transportation operations plan for an activity are reflected in the transportation portion of the Public Works budget (NAVCOMPT 2169). The budget plan, to be cost effective, should be structured to reflect realistic funding requirements using the maintenance manhour input standards in the NAVFAC P-300 (See Appendix A). When the PWO approves and is able to fund the budget plan, the feedback on budget performance by the Transportation Director is reflected in the monthly NAVCOMPT 2169. This should be the primary management tool used by the PWO and the Transportation Director. The NAVCOMPT 2168 provides the detailed expenditure feedback on a monthly basis. If the Transportation Director is providing responsive transportation services within the budget plan, the PWO knows there is management control. The PWO should require the Transportation Director to reconcile on a monthly basis significant variance from the budget plan.

3. Equipment Utilization Control

The technique of good equipment utilization control has been previously discussed. It is again stressed that utilization targets are the management plan. Feedback of performance against the plan is the quarterly Activity Utilization Report (NAVFAC 9-11240/9) as described in Part IV, Section 1 of NAVFAC P-300. The PWO should insist that approved utilization targets

are met and take appropriate management action when the utilization plan gets off track.

F. TRANSPORTATION REPORTS (CECOS, 1979)

1. Transportation Cost Report

-Instruction/Reference: NAVCOMPT Manual, Volume 3, Chapter 7, Part B.

-Prepared by: Comptroller, Verified by Transportation Division Director.

-Frequency: Annually, by 6 August, for activities with 50 or more units of USN registered equipment. Not required for activities with fewer than 50 units as well as forces afloat, attaches, and missions.

-Reviewed by: NAVFAC and TEMCs for Major Claimant.

-Source Data: NAVCOMPT 2168.

-Information Displayed: Shows average on-hand inventory, downtime hours, work units (miles or hours of operation), manhours and cumulative-expenses by cost accounts.

-Purpose: Used locally and by various levels of higher authority to monitor activity and overall Navy transportation costs.

-Management Analysis: The TCR is the annual summary of transportaion expenses reported locally on the NAVCOMPT 2168 and 2169. These should be reviewed monthly by the PWO, Transportation Director, Maintenance Supervisor and Operations Supervisor to ensure expenses are within the budget plan and variances are reconciled or corrective action is taken. (See Figure XI-9)

2. Activity Utilization Report

-Instruction/Reference: NAVFAC P-300.

-Frequency: Establishment of targets and quarterly statement of utilization.

-Prepared by: Public Works Transportation Division.

-Reviewed by: PWO, Transportation Division Director and holders of Class "B" assignments.

FROM	TO	BUDGET	REPORT	FOR PERIOD ENDING
(AAA OF ACTIVITY BEING REPORTED)	NAVFACENGCOM	☐ DETAIL ☐ UPDATED PLAN	☑ DETAIL ☑ SUMMARY	30 JUNE 19__
BUDGET FOR	BUDGET GRANTOR	APPROPRIATION DATA	COST CENTER	REPORTING FISCAL OFFICER (Signature, rank, and date of submission)
(ACTIVITY BEING REPORTED)	Claimant/Management Command		TRANSPORTATION COST REPORT	

FUNC/ SUB FUNC. CAT.	COST ACCOUNT	Average on Hand Inventory	Downtime Hours	WORK UNITS	MAN HOURS		CUMULATIVE EXPENSES					
					MILITARY	CIVILIAN	MILITARY SERVICES	CIVILIAN LABOR	MATERIAL AND SUPPLIES	COMMERCIAL CONTRACTS	OTHER	TOTAL EXPENSES
(1)	(2)	(3A)	(3B)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	6240	26	683	195		457		3,123	2,327	130	150	5,730
	6280	7	724	37		117		811	265	97		1,173
	6220	3	152	47		56		391	144	109		644
	6210	5	315	26		95		654	294	12		960
	6200					725		4,979	3,070	348	150	8,547
	6340			16,273					8,467			8,467
	6380			616					320			320
	6320			4,710					1,925			1,925
	6310			4,507					1,875			1,875
	6300								12,587			12,587
	6420			100		1,958		13,759	6,259	292		20,310
	6460					3,120		15,870	12,400	1,320		29,590
	6450			14,647		2,524		17,349	13,582	1,541		32,472
	6400					7,602		46,978	32,241	3,153		82,372
	6520			...00					1,000			1,000
	6560								4,725			4,725
	6550			8,250					3,800			3,800
	6500								9,525			9,525
	6610									1,800		1,800
	6600									1,800		1,800
	6710					31,828		98,400				98,400
	6740					42,730		135,300				135,300
	6700					74,558		233,700				233,700
	6810					1,800		9,400	800			10,200
	6800					1,800		9,400	800			10,200
	6910				3,440	1,728	15,600	6,900	2,000			24,500
	6900				3,440	1,728	15,600	6,900	2,000			24,500
		TOTAL			3,440	86,413	15,600	301,937	60,223	5,301	150	383,231

TRANSPORTATION COST REPORT

Figure XI-9

-Source Data: Targets--Joint activity/TEMC annual survey and validation of assignments.

-Information Displayed and Sort: Report shows actual mileage odometer readings, quarterly and annual utilization of assigned transportation equipment for each department holding vehicles.

-Purpose: Used to validate assignments and to monitor and evaluate utilization of transportation equipment on a regular basis.

-Management Analysis: Variances are less than 90% or greater than 110% utilization. Utilization should be tracked over two or more reports before action is initiated.

Report provides rationale for shifting vehicle assignments from department to department as needs vary, or for removing vehicles from service and declaring them excess. (See Figure XI-10)

3. Annual Allowance and Requirements Review, NAVFAC Form 11200/28, 11200/29 and 11200/30

-Instruction/References: NAVFAC P-300. NAVFACINST 11200.12 (current) and NAVFACINST 11200.19 (current).

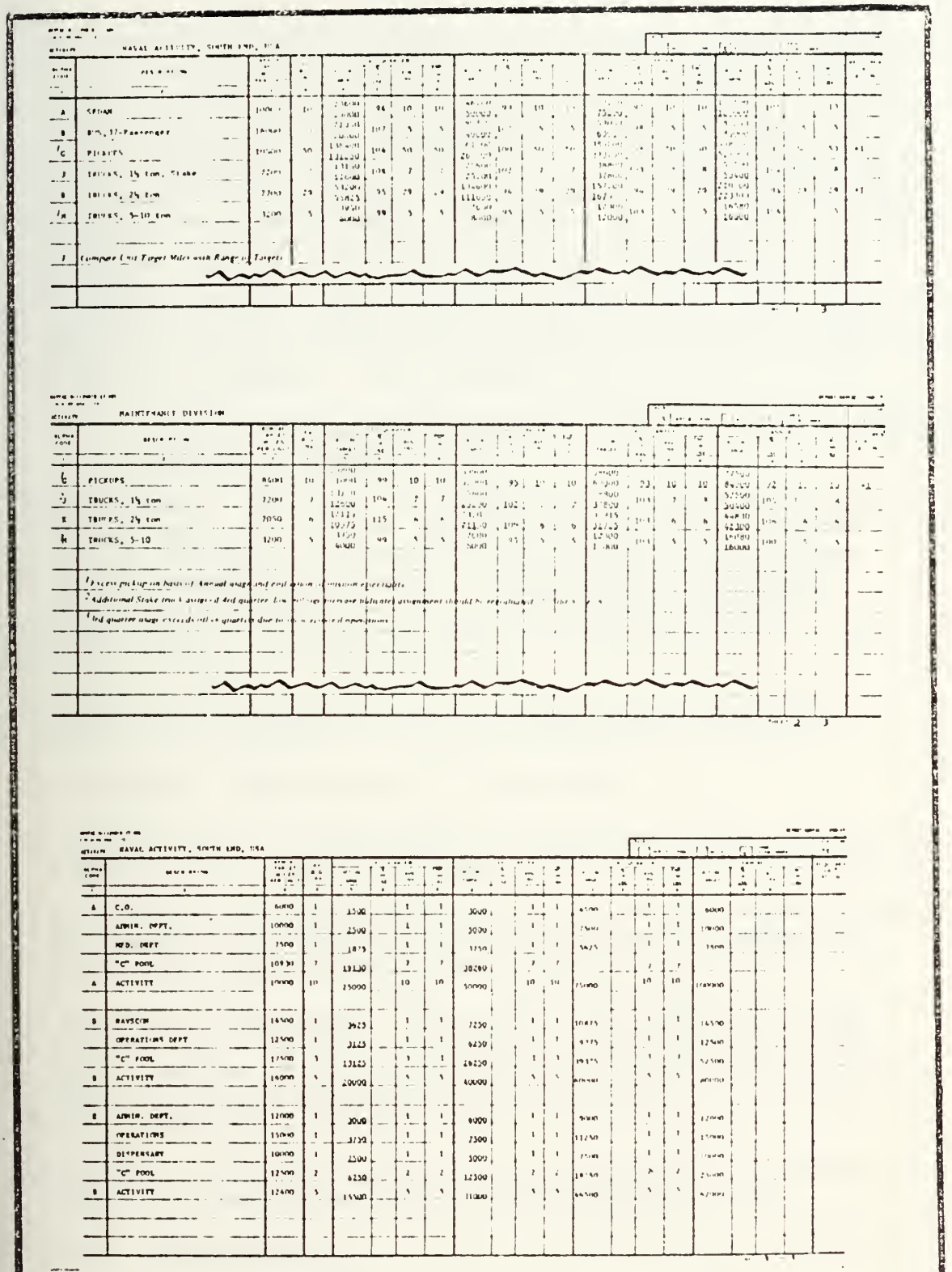
-Frequency: Annual. 11200/28--1 July; 11200/28 and 11200/30--1 November.

-Reviewed by: Transportation Equipment Management Centers and Major Claimants.

-Source Data: Manufacturers plate date, odometer readings, estimate of one-time repair costs.

-Information Displayed: NAVFAC 11200/28--for each equipment code, shows allowance, average on hand, and identified gross requirements for replacement and additions for current year. NAVFAC 11200/29 displays information for the specific piece of equipment for which a replacement is requested, or if an additional requirement, a description of the new item, NAVFAC 11200/00 for equipment included in Transportation Equipment Groups (4)--(10) (Construction Equipment) with an estimated procurement cost over $15,000.

-Purpose: To identify vehicles requiring replacement, or new requirements. This report constitutes the only route for normal vehicle equipment.



ACTIVITY UTILIZATION REPORT

Figure XI-10

-Management Analysis: TEMCs will validate allowance and consolidate requirements for inclusion in NAVFAC budget request. Basically, mileage, age and condition for each vehicle are projected 24 months for "current year". If condition or age and mileage will exceed maximum limits shown in NAVFAC P-300, the vehicle is identified for replacement. If identified as "current" year replacements, vehicles are specifically identified on the NAVFAC 11200/29 report. A separate economic analysis is performed on expensive construction equipment (over $15,000) which basically permits comparison of annual costs for retaining the present equipment, with annual costs for a new piece of equipment and annual rental costs for a similar piece of equipment. (See Figure XI-11, XI-12 & XI-13)

4. Accident Reporting--Operator's Report of Motor Vehicle Accident (Standard Form 91)

-Background: With the implementation of OPNAVINST 5100.12A of September, 1979, the use of Standard Form 91 is no longer required. Many activities are still utilizing the Standard Form 91 as it is a valuable information source for the activity in completing its Accident Investigation Report that must be submitted to the Navy Safety Center.

-Instruction/Reference: NAVFAC P-300, DOD Instruction 1000.19 of November, 1976, and OPNAVINST 5100.12A.

-Frequency: Occurrence of an accident.

-Reviewed by: Transportation Equipment Director, PWO, command Legal Officer, Security Officer and Safety Office.

-Source Data: Vehicle operator, civilian law authorities if accident occurred on public property or command security personnel if accident occurred on an activity.

-Information Displayed: Operator, time and place, DOD vehicle description, other vehicle or property description, persons injured, occupants in both vehicles, list of witnesses or police, written description of accident and diagram of accident.

-Purpose: To collect details of the accident to assist in the investigation of it. (See Figure XI-14)

5. Other Reports

-Deficiencies in New Automotive Construction and Weight Handling Equipment: NAVFAC P-300.

ANNUAL ALLOWANCE AND REQUIREMENTS REVIEW
NAVFAC 11200/28 (12-71) (Supersedes NAVDOCKS 2613)
S/N 0105-950-2800

Instructions on reverse side

REPORT NAVFAC 11200-3

TYPE OF EQUIPMENT (Check appropriate box)

( ) PASS CARRYING VEHICLES
(X) TRUCKS
( ) TRAILERS
( ) CRUSH MIX BATCH/PAV EQPT
( ) DRILL AND BLAST EQPT
( ) EARTH MOVING EQPT
( ) LIGHTING/POWER GEN EQPT
( ) MISC CONSTR/MAINT EQPT
( ) FIRE FIGHTING EQPT
( ) WEIGHT HANDLING EQPT
( ) RAILWAY EQUIPMENT

TO: CINCPACFLT
VIA: WESDIV, PACDIV, AIRPAC

FROM (Activity): NAVAL STATION
UIC: 99999
FOR PERIOD ENDING: 30 SEP 1975

LOCATION: EUREKA, CALIFORNIA
OFFICE/BUREAU OR COMMAND: H
NO/AREA CODE: 12

NAVFAC EQUIPMENT CODE	ITEM DESCRIPTION	ALLOWANCE						SUBSTITUTIONS		ON HAND EXCESS	CURRENT YEAR REQUIREMENT		
		PRESENT ALLOWANCE	REQUESTED ALLOWANCE	ON HAND	UTILIZATION %	COMMAND RECOMMENDATION	APPROVED ALLOWANCE	NO. OF ITEMS	SUBSTITUTE CODE	TO BE REPORTED SF 120	SCHEDULED FOR SUPPLY	REQUIRED REPLACEMENT	ADDITIONAL REQUIREMENTS
1	2	3a	3b	3c	3d	3e	3f	4a	4b	5	6a	6b	6c
0311	Truck, Carryall, 8 Pass., 4x2	2	2	2	100			–	–	0	0	0	0
0313	Truck, Cargo, P/U, 4x2, 4,800 GVW	16	15	16	94			–	–	0	0	3	0
0327	Truck, Cargo, P/U, 4 Dr., 5,800 GVW	5	5	2	250			1	0313	0	0	1	1
0327	Truck, Cargo, P/U, 4 Dr., 5,800 GVW	–	–	–	–			1	0342	–	–	1	–
0342	Truck, Cargo, P/U, 4x2, 7,000 GVW	3	2	3	67			–	–	0	0	0	0
0426	Truck, Stake, 4x2, 14,000 GVW	4	2	4	100			–	–	0	0	0	0
0445	Truck, Stake, 4x2, 16,000 GVW	0	2	0	–			2	0426	0	0	2	0
0602	Truck, Dump, 4x2, 24,000 GVW	2	1	2	50			–	–	1	0	1	0
5830	Truck, Refuse Container Hoisting	2	3	2	150			–	–	0	0	0	1

AUTHORIZED SIGNATURE (Last sheet only)

SHEET 2 OF 11

C-32656

ANNUAL ALLOWANCE AND REQUIREMENTS REVIEW

Figure XI-11

REPLACEMENT JUSTIFICATION - ANNUAL REQUIREMENTS REVIEW

NAVFAC 11300/25 (12-71) (Supersedes NAVDOCKS 2014)

Instructions on reverse side

REPORT NAVFAC 11300-3

TYPE OF EQUIPMENT (Check appropriate box)

( ) PASSENGER CARRYING VEHICLES

(X) OTHER TRANSPORTATION EQUIPMENT

TO: CINCPACFLT

VIA: WESDIV, PACDIV, AIRPAC

FROM (Activity): NAVAL STATION

UIC: 99999

DATE: 30 SEP 1975

LOCATION: EUREKA, CALIFORNIA

OFFICE/BUREAU/OR COMMAND: H

NO/AREA CODE: 12

PART A. DATA ON PRESENT EQUIPMENT FOR WHICH REPLACEMENT IS REQUESTED IN PART B (Leave PART A blank and fill in Part B ONLY when ADDITIONAL equipment is requested.)						PART B. DATA ON REQUESTED EQUIPMENT		
NAVFAC EQUIPMENT CODE	ITEM DESCRIPTION	U.S.N. REGISTRATION NO.	YEAR OF MFG (2 digits)	ACCUMULATED MILEAGE OR HOURS (H)	NECESSARY REPAIRS FOR CONTINUED SAFE OPERATION (Dollars)	EQUIP. CODE & TYPE DESIGNATOR (Enter 5-digit numerical type designator after equip. code when it is adequate for procurement. Enter "-00" after equip. code when procurement description is attached.)	PRIORITY: ACTIVITY	PRIORITY: AREA
1	2	3	4	5	6	7	8a	8b
0313	Truck, Cargo, P/U, 4x2, 4800 GVW	94-00750	67	143,604	530	0313-01	8	
0313	Truck, Cargo, P/U, 4x2, 4800 GVW	94-00753	67	99,176	505	0327-01	9	
0313	Truck, Cargo, P/U, 4x2, 4800 GVW	94-00751	67	102,021	475	0313-01	10	
0313	Truck, Cargo, P/U, 4x2, 4800 GVW	94-00752	67	96,782	475	0313-01	11	
0602	Truck, Dump, 4x2, 24,000 GVW	96-04044	59	71,275	1,520	0602-01	12	
						5830-01	13	
5124	Generator Set, Ded, 60 KW, Trlr. Mtd.	51-00025	55	8,825H	2,905	5124-01	14	
0342	Truck, Cargo, P/U, 4x2, 7000 GVW	94-00754	58	94,893	520	0327-01	15	
0426	Truck, Stake, 4x2, 14,000 GVW	94-03427	59	74,655	710	0445-01	16	
0426	Truck, Stake, 4x2, 14,000 GVW	94-04566	59	73,893	685	0445-01	17	
0000		00-00000	00	00000	0000	0327-01	18	
0000		00-00000	00	00000	0000	5124-01	19	
0000		00-00000	00	00000	0000	5124-01	20	

AUTHORIZED SIGNATURE (Last sheet only)

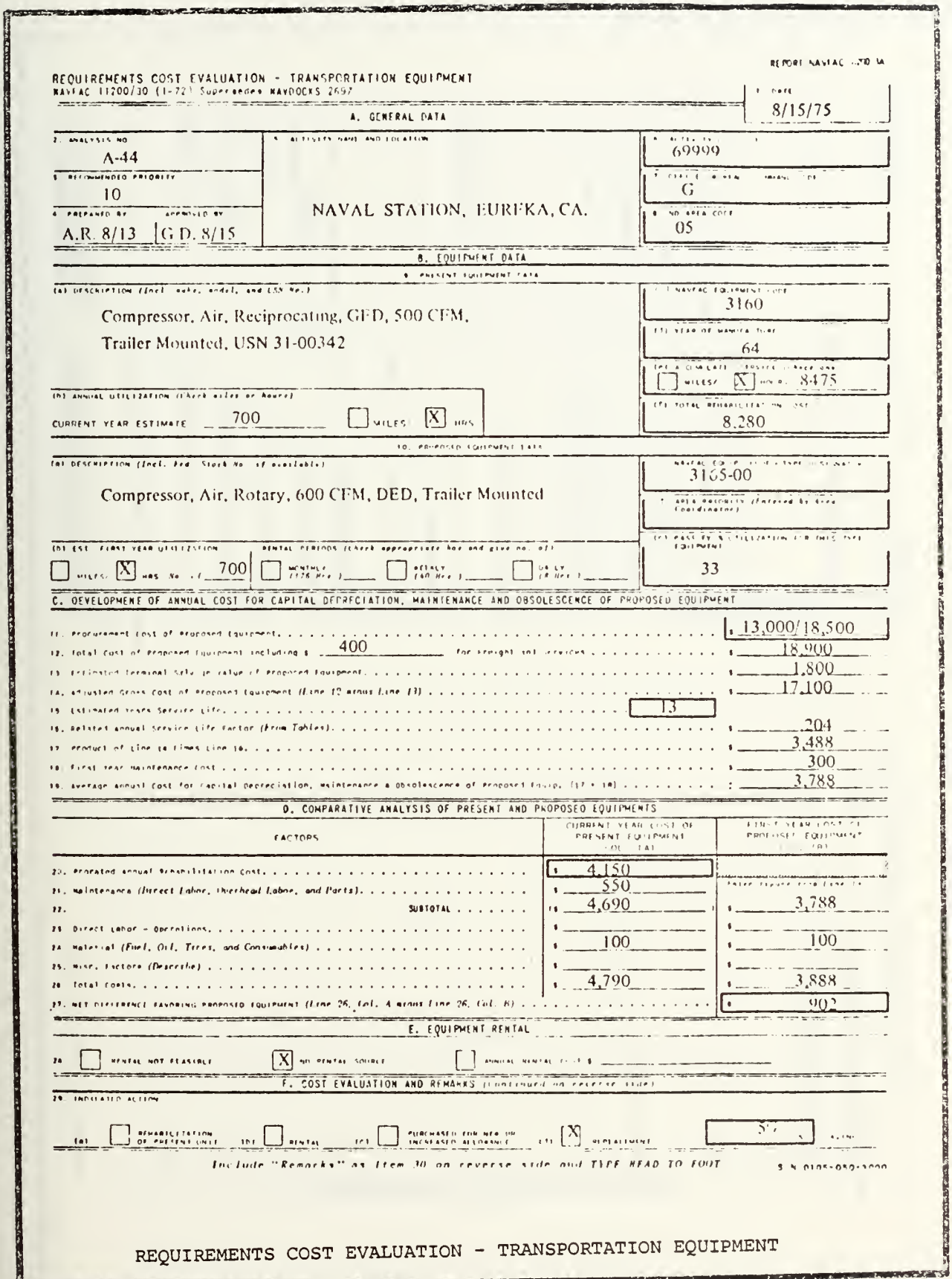
R.S. PHILLIPS, CAPT, USN, COMMANDING OFFICER

SHEET 2 OF 2

G-80018

REPLACEMENT JUSTIFICATION - ANNUAL REQUIREMENTS REVIEW

Figure XI-12



REQUIREMENTS COST EVALUATION - TRANSPORTATION EQUIPMENT
NAVFAC 11200/30 (1-72) Superseded NAVDOCKS 2697

REPORT NAVFAC 11200/30

A. GENERAL DATA

1. DATE: 8/15/75

2. ANALYSIS NO: A-44

3. RECOMMENDED PRIORITY: 10

4. PREPARED BY: A.R. 8/13 — APPROVED BY: G.D. 8/15

5. ACTIVITY NAME AND LOCATION: NAVAL STATION, EUREKA, CA.

6. ACTIVITY NO: 69999

7. STATE OR FOREIGN COUNTRY CODE: G

8. AC AREA CODE: 05

B. EQUIPMENT DATA

9. PRESENT EQUIPMENT DATA

(a) DESCRIPTION (Incl. make, model, and ESD No.): Compressor, Air, Reciprocating, GED, 500 CFM, Trailer Mounted, USN 31-00342

(b) NAVFAC EQUIPMENT TYPE: 3160

(c) YEAR OF MANUFACTURE: 64

(d) ANNUAL UTILIZATION (Check miles or hours): CURRENT YEAR ESTIMATE 700 ☐ MILES ☒ HRS — (e) MILES/HRS. 8475

(f) TOTAL REHABILITATION COST: 8,280

10. PROPOSED EQUIPMENT DATA

(a) DESCRIPTION (Incl. Fed Stock No. if available): Compressor, Air, Rotary, 600 CFM, DED, Trailer Mounted

(b) NAVFAC EQUIPMENT TYPE: 3165-00

(c) AREA REQUIRED (Entered by Area Coordinator):

(d) EST. FIRST YEAR UTILIZATION: ☐ MILES ☒ HRS No. of 700 — RENTAL PERIODS (Check appropriate box and give no. of): ☐ MONTHLY (176 Hrs.) ☐ WEEKLY (40 Hrs.) ☐ DAILY (8 Hrs.)

(e) PAST FY'S UTILIZATION FOR THIS TYPE EQUIPMENT: 33

C. DEVELOPMENT OF ANNUAL COST FOR CAPITAL DEPRECIATION, MAINTENANCE AND OBSOLESCENCE OF PROPOSED EQUIPMENT

11. Procurement cost of proposed equipment		$ 13,000/18,500
12. Total cost of proposed equipment including $ 400 for freight and services		$ 18,900
13. Estimated terminal sale or value of proposed equipment		$ 1,800
14. Adjusted Gross Cost of Proposed Equipment (Line 12 minus Line 13)		$ 17,100
15. Estimated Years Service Life	13	
16. Related annual Service Life Factor (From Tables)		$ .204
17. Product of Line 14 times Line 16		$ 3,488
18. First year maintenance cost		$ 300
19. Average annual cost for capital depreciation, maintenance & obsolescence of proposed equip. (17 + 18)		$ 3,788

D. COMPARATIVE ANALYSIS OF PRESENT AND PROPOSED EQUIPMENTS

FACTORS	CURRENT YEAR COST OF PRESENT EQUIPMENT (Col. A)	FIRST YEAR COST OF PROPOSED EQUIPMENT (Col. B)
20. Prorated annual Rehabilitation Costs	$ 4,150	
21. Maintenance (Direct Labor, Overhead Labor, and Parts)	$ 550	
22. SUBTOTAL	$ 4,690	$ 3,788
23. Direct Labor - Operations	$	$
24. Material (Fuel, Oil, Tires, and Consumables)	$ 100	$ 100
25. Misc. Factors (Describe)	$	$
26. Total Costs	$ 4,790	$ 3,888
27. NET DIFFERENCE FAVORING PROPOSED EQUIPMENT (Line 26, Col. A minus Line 26, Col. B)		$ 902

E. EQUIPMENT RENTAL

28. ☐ RENTAL NOT FEASIBLE ☒ NO RENTAL SOURCE ☐ ANNUAL RENTAL COST $

F. COST EVALUATION AND REMARKS (Continued on reverse side)

29. INDICATED ACTION

(a) ☐ REHABILITATION OF PRESENT UNIT (b) ☐ RENTAL (c) ☐ PURCHASED FOR NEW OR INCREASED REQUIREMENT (d) ☒ REPLACEMENT — 5Y

Include "Remarks" as Item 30 on reverse side and TYPE HEAD TO FOOT

S/N 0105-050-3000

REQUIREMENTS COST EVALUATION - TRANSPORTATION EQUIPMENT

Figure XI-13

TELL IN YOUR OWN WAY HOW ACCIDENT HAPPENED

XIII OPERATOR'S STATEMENT OF ACCIDENT AND USE OF SAFETY EQUIPMENT

WAS VEHICLE EQUIPPED WITH SEAT BELTS? ☐ YES ☐ NO

IF YES, WERE THEY IN USE AT TIME OF ACCIDENT? ☐ YES ☐ NO

SIGNATURE OF OPERATOR | DATE

HAVE YOU ANSWERED ALL QUESTIONS AS COMPLETELY AS POSSIBLE?

4

THIS FORM TO BE FILLED OUT BY THE GOVERNMENT OPERATOR AT THE TIME AND AT THE SCENE OF THE ACCIDENT, INSOFAR AS POSSIBLE.

OPERATOR'S REPORT OF MOTOR-VEHICLE ACCIDENT

DEPARTMENT OR AGENCY

NAME AND LOCATION OF ORGANIZATION TO WHICH YOU ARE ASSIGNED

I OPERATOR

PLEASE PRINT FULL NAME (Last, First, Middle Initial) | AGE | RANK, RATING, OR TITLE

SERVICE NUMBER OR SOCIAL SECURITY NUMBER | OPERATOR'S GOV. PERMIT NUMBER

HOME ADDRESS (Street, city, State, ZIP Code) | TELEPHONE (Home)

II TIME AND PLACE

DATE AND DAY OF WEEK OF ACCIDENT | TIME | HOURS ON DUTY PRIOR TO ACCIDENT

PLACE OF ACCIDENT (If accident in city, give city, street and number, and State; if outside city limits, address mileage to nearest city or other landmark.)

FROM WHAT PLACE TO WHAT PLACE WERE YOU BOUND

FOR WHAT PURPOSE

III YOUR VEHICLE

MAKE | TYPE | REGISTRATION NUMBER OR OTHER IDENTIFICATION

PARTS OF VEHICLE DAMAGED (Describe)

IF THIS IS A BACKING ACCIDENT, WAS GUIDE AVAILABLE? ☐ YES ☐ NO

IF AVAILABLE, WAS GUIDE USED? ☐ YES ☐ NO

IV OTHER VEHICLE AND PROPERTY (If additional vehicles see page 3)

MAKE | TYPE | YEAR

OPERATOR'S STATE PERMIT NUMBER | VEHICLE LICENSE NUMBER, AND STATE

OPERATED BY (Name) | VEHICLE OWNED BY

OPERATOR'S HOME ADDRESS (Street, city, State) | OWNER'S ADDRESS (Street, city, State)

PARTS OF VEHICLE DAMAGED (Describe)

OTHER VEHICLE OR PROPERTY DAMAGED (Describe)

Standard Form 91
Revised April 1958

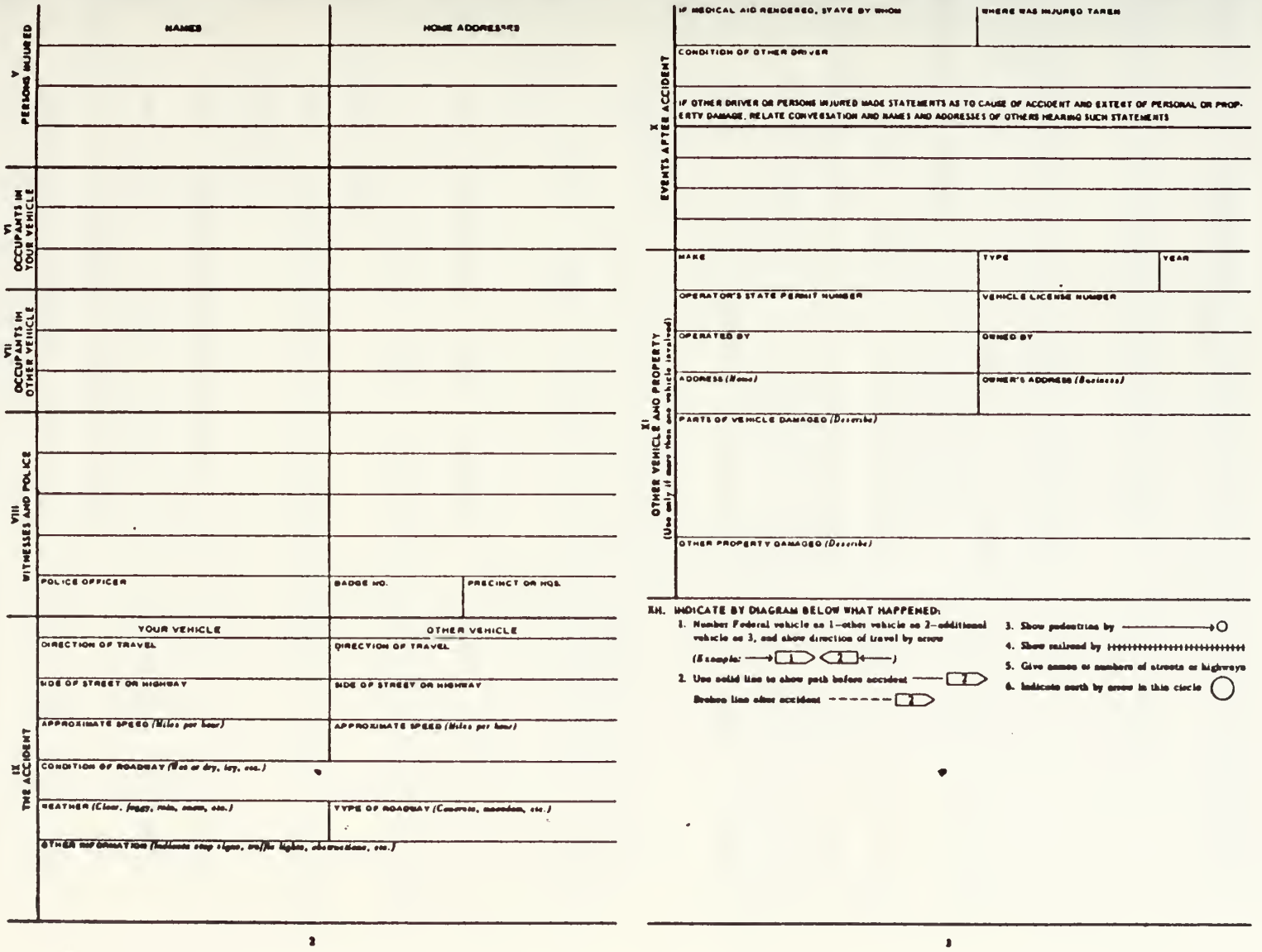
91-108

BUREAU OF THE BUDGET
Circular A-6 (Rev.)

OPERATOR'S REPORT OF MOTOR-VEHICLE ACCIDENT

STANDARD FORM 91

Figure XI-14



V PERSONS INJURED — NAMES | HOME ADDRESSES

VI OCCUPANTS IN YOUR VEHICLE

VII OCCUPANTS IN OTHER VEHICLE

VIII WITNESSES AND POLICE

POLICE OFFICER | BADGE NO. | PRECINCT OR HQS.

IX THE ACCIDENT

YOUR VEHICLE	OTHER VEHICLE
DIRECTION OF TRAVEL	DIRECTION OF TRAVEL
SIDE OF STREET OR HIGHWAY	SIDE OF STREET OR HIGHWAY
APPROXIMATE SPEED (Miles per hour)	APPROXIMATE SPEED (Miles per hour)

CONDITION OF ROADWAY (Wet or dry, icy, etc.)

WEATHER (Clear, foggy, rain, snow, etc.) | TYPE OF ROADWAY (Concrete, macadam, etc.)

OTHER INFORMATION (Indicate stop signs, traffic lights, obstructions, etc.)

X EVENTS AFTER ACCIDENT

IF MEDICAL AID RENDERED, STATE BY WHOM | WHERE WAS INJURED TAKEN

CONDITION OF OTHER DRIVER

IF OTHER DRIVER OR PERSONS INJURED MADE STATEMENTS AS TO CAUSE OF ACCIDENT AND EXTENT OF PERSONAL OR PROPERTY DAMAGE, RELATE CONVERSATION AND NAMES AND ADDRESSES OF OTHERS HEARING SUCH STATEMENTS

XI OTHER VEHICLE AND PROPERTY (Use only if more than one vehicle involved)

MAKE | TYPE | YEAR

OPERATOR'S STATE PERMIT NUMBER | VEHICLE LICENSE NUMBER

OPERATED BY | OWNED BY

ADDRESS (Home) | OWNER'S ADDRESS (Business)

PARTS OF VEHICLE DAMAGED (Describe)

OTHER PROPERTY DAMAGED (Describe)

XII. INDICATE BY DIAGRAM BELOW WHAT HAPPENED:

1. Number Federal vehicle as 1—other vehicle as 2—additional vehicle as 3, and show direction of travel by arrow (Example: → 1 ← 2 →)
2. Use solid line to show path before accident ——— 1 ; Broken line after accident - - - - - - 1
3. Show pedestrians by ———→○
4. Show railroad by ++++++++++++++++++++++++
5. Give names or numbers of streets or highways
6. Indicate north by arrow in this circle ◯

OPERATOR'S REPORT OF MOTOR-VEHICLE ACCIDENT (Page 2)

Figure XI-14 (Page 2)

-Report of Vehicles Chartered or Rented, Form NAVDOCKS 2578: NAVFAC P-300.

-Report of Automotive and Construction Equipment Received, Form DOD 1342: NAVCOMPT Manual, Volume 3.

-School Bus Facility Operating Report, OPNAV Form 4650/1(5-70): OPNAVINST 4650.14.

G. TRANSPORTATION EQUIPMENT QUESTIONS

Here is a list of questions concerning transportation the Commanding Officer may ask the PWO.

1. Is the Transportation Division responsive to all Station transportation service requirements in a timely manner? How do transportation supervisors measure level of responsiveness? What are performance standards? What type of transportation management reports are available?

2. What is the vehicle utilization target in miles per year per vehicle? What actions are being taken when targets are not met?

3. Are any actions being taken to reduce vehicles, miles driven, or fuel costs? Has a formal utilization review board been established?

4. Are current Letters of Justification on file for Class "B" assignments?

5. Are common transportation services, i.e., scheduled bus and taxi, etc., being utilized? Are services reviewed periodically to measure effectiveness?

6. How many vehicles (A-N) are on hand? How does this compare with our approved allowance? Are excessed vehicles processed in a timely manner?

7. What is our average vehicle downtime rate? What percentage are out of service; awaiting maintenance; being worked on; and awaiting parts? What is the overall deadline percentage?

8. How many maintenance manhours do NAVFACENGCOM standards recommend we expend for vehicle maintenance per year? What did we expend last year?

9. What manhour average have we budgeted for this year?

10. What is the current productivity ratio for our mechanics?

11. How many drivers does transportation have on its rolls? How did the requirement come into being? Are fixed requirements clearly identified?

12. What is our total transportation budget in dollars (L-7 account) this FY? How was this budget developed? (Historical or zero based and built on standards?) What is the dollar variance and present variance from the budget this last quarter?

13. Is the Transportation Division Director involved in the preparation of the L-7 budget? Are management reports (actual vs. planned expenditure of resources) furnished to the Transportation Division Director? Are the allocated funds sufficient?

14. Is the weight handling equipment program being administered in accordance with NAVFAC P-300? Is there a certifying officer and test director designated in writing? Is all equipment inspected and certified?

15. Is there a Safe Drive Council as required by OPNAVINST 5100.12?

16. What percentage of the CESE inventory is beyond the DOD specified economic life? A high percentage of overage equipment increases maintenance costs, quantity of equipment on deadline, and required additional equipment to compensate for the increased deadline.

17. Is the performance of mechanics being compared with manufacturer's flat rates and Navy Transportation Maintenance Man-Hour Input Standards? Neither is unreasonably difficult to meet. Failure to meet flat rate is usually the result of insufficient technical training, inadequate skills, and sub-standard productivity resulting from poor work habits and/or supervision.

18. Are all vehicles pooled and not assigned to one officer or employee? Recent changes to regulations require that all vehicles be pooled regardless of class assignment.

APPENDIX A

GUIDELINES FOR USE OF TRANSPORTATION MAINTENANCE MAN-HOUR INPUT STANDARDS FOR BUDGET PREPARATION AND BUDGET PERFORMANCE EVALUATION

A. SCOPE

These guidelines provide a uniform system for the preparation of a planned transportation maintenance budget. The budget should become an operational plan with scheduled periodic performance evaluation. The revised input standards contained in Table F-1 of NAVFAC P-300 provide for all the direct man-hours of labor required for transportation maintenance expenses. All material, except for fuel, will be charged as maintenance expenses in accordance with Volume III, Chapter 7, of NAVCOMPT Manual.

B. BUDGET PREPARATION

A realistic transportation maintenance budget should be developed by using the following five information elements: (1) Vehicle/equipment requirements and usage in terms of units, miles driven or hours operated; (2) Man-hour input standards; (3) Shop labor rate; (4) Standard material cost per hour of labor; (5) Overhead labor. Figure A-1 is a sample worksheet which should be used in preparation of the transportation maintenance budget plan.

1. Equipment Requirements and Usage

The accuracy of the budget will depend to a large degree upon how well the vehicle/equipment requirements and usage can be projected. Analysis of the automotive and construction equipment historical utilization data in each equipment cost code should provide sufficient information to project equipment requirements and usage for the budget period. It is recognized that variables such as mission change and funding levels must be considered.

2. Man-Hour Input Standards

The man-hour input standards contained in Table F-1, NAVFAC P-300 provide for all direct maintenance labor for normal transportation including running expenses. These input standards cover the direct labor necessary to maintain a unit in a safe and reliable condition throughout its economic service live. These standards include the necessary labor hours to lubricate, service, clean and wash, install tires and batteries as well as remove, replace and repair major and minor components, sub-assemblies, parts and accessories to correct or prevent malfunctions or deterioration except those resulting from accidents. The standards do not cover extensive one time major overhaul and rebuild of the complete unit of equipment.

3. Computation of Man-Hour Input from Standards

The recommended procedure for determining direct maintenance man-hour input for budget projection (plan) is to list inventory quantities by alpha group and Equipment Cost Code (ECC) sequence. Using Table F-1, select the established man-hour input standard for each specific Equipment Cost Code (ECC) in inventory. List unit target miles, hours and leave column blank for those ECC with annual man-hour input standard. There will be three separate computations/formulas for determining the annual budgeted man-hour inputs depending upon whether the equipment standard man-hour input is by mile, hour or on annual unit basis. Examples of computations are listed below: (a) Mileage, (b) hours and (c) annual unit.

a. Man-Hour Input (Standard) per 1000 Miles Operated

Alpha	ECC	Inventory	Unit Target Mile/Hr	Man-Hour Input Std	Annual Budget Man-Hours
A	0104	20	12,000 Miles	2.40 per 1000 Mi	576

Formula: $\frac{12000 \times 20 \times 2.40}{1000} = 576$

b. Man-Hour Input (Standard) Per Hour Operated

ECC	Inventory	Target Mile/Hr	Input Std	Annual Budget Man-Hours
4851	2	1050 Hour	.422 per Hr	886

Formula: $1050 \times 2 \times .422 = 886$

c. Man-Hour I put (Standard) Per Unit/Year

ECC	Inventory	Unit Target	Input Std	Annual Budget Man-Hours
4710	6	1 Year	15 per Unit/Yr	90

Formula: $6 \times 15 = 90$

4. Shop Labor Rate

The shop labor rate used in budget preparation should include acceleration for leave and other fringe benefits and a projected cost of living increase. (This information should be provided by the local comptroller). The shop labor rate can be developed by dividing the labor cost/dollars by the direct labor hours for the maintenance branch using the most recent quarterly labor and material cost report plus projected acceleration factor. Example:

Total direct labor cost for the Maintenance Branch = $96,000,000 ÷ 18,000 man-hours direct labor = $5.33 average labor rate + 33% fringe benefits + 8% cost of living increase = $7.52 shop labor rate.

5. Material Cost Factor Per Hour of Labor

A material cost factor for each hour of direct labor shall be developed locally using cost data from latest annual Transportation Cost Report (TCR). To determine the material cost factor for each hour of direct labor, divide the annual reported total material cost for the maintenance branch by the reported direct labor hours. The material cost factor should be escalated to allow for price increases anticipated in the budget year. Example:

Total direct material for the maintenance branch = $64,500,000 ÷ 13,500 man-hours of direct labor = 4.78 x 1.07 (7% cost escalation) = $5.11 per labor hour, activity developed material factor.

6. Maintenance Overhead

The total overhead hours under Cost Code 6900 should not exceed 43 percent of the direct productive standard hours for the maintenance branch. Considering normal staffing, overhead labor is based on a ratio of three overhead personnel to ten direct personnel with direct labor personnel effective for 91 percent of available 1728 annual direct labor hours. Formula:

a. 3 x 1728 = 5184 indirect/overhead available labor hours

b. 10 x 1728 = 17280 direct labor hours

c. 17280 x .91 = 15724 effective direct labor hours

d. 17280 - 15724 = 1556 indirect/overhead for production labor

e. 5184 + 1556 = 6740 total indirect/overhead hours

f. $\frac{6740}{15724}$ x 100 = 43% indirect to direct hours

7. Budget Computation

(Direct Labor and Material) Sample worksheets for direct labor and material budgets are shown in Figure A-1 Part A. Following are the appropriate column entries:

a. COLUMN (1) EQUIP. CODE. List NAVFAC Equipment Cost Code ECC.

b. COLUMN (2) INVENTORY. Enter inventory on hand.

c. COLUMN (3) ESTIMATED MILES/HOURS. Enter estimated miles or hours to be operated in budget year.

d. COLUMN (4) MAINT. MAN-HOUR INPUT STANDARDS. Enter Maintenance man-hour input standard from Table F-1 of NAVFAC P-300 for ECC.

e. COLUMN (5) ANNUAL BUDGET MAN-HOURS. Compute total annual maintenance man-hour by multiplying Column (3) by Column (4).

f. COLUMN (6) SHOP LABOR RATE. Enter the shop labor rate. To compute the shop labor rate follow instructions contained in paragraph 4 (Shop Labor Rate).

g. COLUMN (7) LABOR DOLLAR. Enter the total labor dollar for each equipment code entry. This entry is obtained by miltiplying Column (5) by Column (6).

h. COLUMN (8) MATERIAL COST FACTOR. Enter activity developed material cost factor. To obtain this entry follow procedures outlined in paragraph 5.

i. COLUMN (9) MATERIAL COST. Enter the total material cost for each equipment code entry. This entry is obtained by multiplying Column (5) by Column (8).

j. COLUMN (10) TOTAL LABOR AND MATERIAL. Enter the total labor and material cost for each equipment code entry. To obtain add Column (7) and Column (9).

8. Budget Computation

(Indirect Labor and Material). Sample worksheet for indirect labor and material budget are shown in Figure A-1 Part B. Following are the appropriate column entries:

a. COLUMN (1) COST ACCOUNT. Enter the appropriate cost code for each function. The cost codes are listed by categories in Volumn III, Chapter & Paragraph 037121 and 037122 of the NAVCOMPT Manual.

b. COLUMN (2) FUNCTION. Enter the position title for each indirect function required.

c. COLUMN (3) MAN-YEARS. Enter the total man-years required for each indirect function listed.

d. COLUMN (4) MAN-HOURS. Enter the total man-hours for each indirect function. Compute on the basis of 1728 for each full-time indirect employee and add hours required for direct personnel performing indirect/ overhead functions.

e. COLUMN (5) LABOR RATE. Enter labor rate for each entry. To obtain, take the average base pay for each title listed, add fringe benefits and projected cost of living increase.

f. COLUMN (6) LABOR COST. Enter total labor dollars for each entry. This entry is obtained by multiplying Column (4) by Column (5).

g. COLUMN (7) MATERIAL COST. Enter the estimated cost of material for each indirect entry.

9. Budget Control

A sound management system requires allocation of a cost effective level of funding in a budget plan that will require efficient management

to execute within this level of funding. Effective budget control depends on management receiving timely feedback information that will enable the manager to isolate his problem areas, make proper decisions, and to initiate the necessary corrective action. Such information must relate performance against the resources plan (budget) and established standards. The Navy Resources Management System (RMS) provides these reports on a monthly basis as an output from the activity financial management reporting system. These reports are as follows:

a. Performance Statement (NAVCOMPT 2169).

This report is the transportation manager's major tool for control. The report provides data of actual performance against the budget plan. The report provides actual expenditures against the budget plan, and the percent expended to date. It also provides work units achieved to date against the planned work units, and the percent achieved to date. Finally, it provides actual unit costs against standard or budgeted unit costs. These data are provided against each line item in the budget. The transportation manager can immediately detect deviations from the budget plan and make the necessary analysis to determine the cause and effect of the deviaiton. This may require further data breakout of specific elements of expenditure that are out of line. This detail is found in the NAVCOMPT 2168 Operating Budget/Expense described below.

b. Operating Budget/Expense Report (NAVCOMPT 2168).

This report provides a detail breakout of commulative expenditures shown on the NAVCOMPT 2169 against each budget line item. This report will provide the manager with data to determine what element of cost is causing the deviation from the budget plan. Actual man-hour expenditures per mile, for example, can be computed and compared with standards used in the budget plan. The same can be done for material expenditures.

SAMPLE WORK SHEET FOR MAINTENANCE DIRECT LABOR AND MATERIAL BUDGET: PART A

Column 1	2	3	4	5	6	7	8	9	10
Equip Code	Inventory	Estimated Miles/Hours	Maint Man-Hour Input Standards	Annual Budget Man-Hours	Shop Labor Rate	Labor Dollar	Material Cost Factor	Material Cost	Total Labor & Material
0104	40	996,000	2.40/1000 miles	2,390	$7.52	$17,973	$5.11	$12,213	$30,186
4875	6	5,200	.118/hour	614	7.52	4,617	5.11	3,138	7,755
5630	19	---	42/unit	798	7.52	6,001	5.11	4,077	10,078

SAMPLE WORK SHEET FOR MAINTENANCE INDIRECT LABOR AND MATERIAL BUDGET: PART B

Column 1	2	3	4	5	6	7	8
Cost Account	Function	Man Years	Man-Hours	Labor Rate	Labor Cost	Material Cost	Total Labor & Material
6910	Supervision	3	5160	$9.30	$47.988		$47,988
6910	Inspectors	3	5160	8.27	42,673		42,673
6910	Repairs Shop Tools	-	510	7.52	3,835	$1,800	5,635
6910	Motor Oil, Lub & Fluid	-	-	-	-	4,600	4,600

Figure A - 1

BIBLIOGRAPHY FOR CHAPTER XI

Department of the Navy, Civil Engineer Corps Officer School, Port Hueneme, California, Public Works Manual, CECOS 101/72, September, 1979.

OPNAVINST 11240.8 (current), Automotive Vehicles Construction & Weight Handling Equipment, Railway Equipment and Materials Handling Equipment: Centralized Management of.

SUGGESTED REFERENCES

DOD Regulation 4500.36R (current), Management, Acquisition, and Use of Motor Vehicles.

NAVCOMPT Manual, Volume 3, Chapter 7, Instructions for NAVCOMPT Transportation Cost Report (TCR).

NAVFAC P-306, Testing and Licensing of Construction Equipment Operators.

NAVFAC DM-28, Maintenance Facilities.

NAVFAC MO-403, Navy Driver's Handbook.

NAVFAC P-68, Contracting Manual.

NAVFAC P-300, Management of Transportation Equipment, The Primary Navy Reference for Transportation Equipment Management.

NAVFAC P-318, Public Works Department; Organization and Function.

NAVFACINST 11200.12 (current), Civil Engineering Support Equipment (Transportation Equipment); administration and control of...Instructions for the Annual Allowance and Requirements Review.

NAVFACINST 11200.19 (current), Civil Engineering Support Equipment (Transportation Equipment); Annual Requirements Review; mechanized process of...Instructions for Requirements Cost Evaluation--Transportation Equipment Form.

NAVORD OP 2239, Driver's Handbook Ammunition, Explisives and Dangerous Articles.

CHAPTER XII

SAFETY

A. OCCUPATIONAL SAFETY AND HEALTH----------843

1. Background----------843

2. Policy----------843

3. Safety Program----------844

4. PWO's Responsibilities----------845

B. FIRE PROTECTION----------848

1. Fire Department----------848

a. Fire Marshall Program----------848

b. Organization----------848

2. Inspections----------849

a. Fire Marshall's Inspection----------849

b. Fire Protection Engineer's Report----------849

c. PWO's Responsibility----------850

3. Fire Protection Systems----------850

C. DISASTER PREPAREDNESS----------851

1. Introduction----------851

2. Specific Considerations----------853

a. Executive Leadership Action----------853

b. Emergency Services Actions----------853

c. Suggested Citizen & Personnel Instructions----854

3. Responsibilities of PWO----------855

BIBLIOGRAPHY----------857

XII. SAFETY

A. OCCUPATIONAL SAFETY AND HEALTH

1. Background

Section 19(a) of the Occupational Safety and Health Act of 1970 (OSHAct), 29 U.S.C. Section et seq (1976), requires Federal agencies to establish and maintain an occupational safety and health program which, consistent with the size and the mission of the agency, provides its employees the same occupational safety and health standards and protections that the OSHAct affords civilian employees. To fulfill this requirement, Chief of Naval Operations (CNO) has established a Navy occupational safety and health (OSH) program with OPNAVINST 5100.23 of 08 May 1979. This instruction applies to all Navy personnel and operations worldwide. Exceptions or specific limitations are made, as required, for militarily unique equipment, systems and operations; for conditions governed by other statutory authorities; and, overseas, for conditions governed by international agreements.

The provisions of this instruction do not apply to the inspection of, and access to, contractor workplaces by compliance officials of the Federal Occupational Safety and Health Administration (OSHA) or compliance officials of states having Federally approved occupational safety and health programs.

2. Policy

It is the policy of the CNO that all Navy commands shall establish and maintain effective, comprehensive safety and

health programs as prime elements of the overall DOD mishap prevention program. All command OSH program shall conform to the requirements of all instructions, statutes or directives which govern the administration of Navy personnel.

The OSH program is applicable to all Navy workplaces and is under the administration of the Secretary of the Navy subject to regulations promulgated by the Secretary of Defense. The Secretary of Labor, although having an evaluation responsibility for all Federal agency programs, is not responsible for supervision of the Navy's OSH program. Therefore, Department of Labor OSHA compliance officials are required to receive authorized access to noncontractor Navy workplaces from the CNO (Op-04).

3. Safety Program

The Commanding Officer of any Navy activity is responsible for the safety of personnel, the implementation of the Navy's Occupational Safety and Health Program, and the enforcement of safety regulations. The Commanding Officer will delegate to department heads the responsibility to enforce safety regulations within activities under their control. Staff responsibility for the command Safety Program is delegated to the Safety Manager. The Safety Manager is responsible for developing and promoting a comprehensive accident prevention program and to advise on new methods and approaches to maintain a safe and healthful workplace.

a. Program Areas

Most activity Safety Programs will be comprised of the following four areas:

(1) Occupational Safety which is concerned with providing a safe workplace by having safe facilities and equipment, safe procedures, and personnel who are knowledgeable about particular hazards. Providing protective clothing and equipment is another aspect of occupational safety. It also includes the elimination of hazards during construction, operation, and maintenance of facilities and equipment.

(2) Transportation Safety which is concerned with the actual movement of personnel and material, use of material handling equipment (MHE) such as forklifts, heavy duty road machinery, cranes, and transporters. This also encompasses the traffic safety for all motor vehicles, whether Government, commercial, or privately owned.

(3) System Safety is concerned with achieving the optimum degree of safety within the constraints of operational effectiveness, time and cost, attained through application of systems management and engineering principles.

(4) Industrial Hygiene is concerned with that aspect of occupational health which encompasses the recognition, evaluation and control of environmental factors or stresses arising in or from workplaces, which may cause sickness, impaired health and well-being, or appreciable discomfort and inefficiency among workers. This program is assigned to the Bureau of Medicine and Surgery, Department of the Navy, and is usually provided by the local medical facility.

4. PWO's Responsibility

The PWO's responsibilities are dependent upon the size of the command and type of activities under the PWO's control.

As a department head, the PWO has the basic responsibilities for the maintenance of safe operations, for the prevention of accidents and the administration of a comprehensive safety and health program within his respective department.

Other activities that the PWO may be responsible for are:

-Ensure that all employees understand and comply with safety and occupational health instructions, rules and regulations. Will require the development of some type of safety training programs within the department.

-Provide the technical supervision for all phases of driver testing programs for motor vehicles and prime mover equipment.

-Ensure plans and specifications for new construction and modifications to building and facilities fulfill requirements for safety of personnel and property.

-Prepare and fund corrective action projects that are within the authority and capability of the local command or prepare corrective action projects that exceed common capability for submittal via chain of command to respective major claimants.

All projects except Military Construction (MILCON) and those to be funded with Navy Industrial Funds (NIF) are to be submitted in accordance with OPNAVINST 11010.20C, Facilities Project Manual and OPNAVINST 11010.34, Annual Inspection Summary. MILCON and NIF safety projects are to be submitted in accordance with the requirements established for each program.

Additionally, all monies expended for correction of Navy OSH deficiencies are to be reported to CNO (OP-04), via the chain of command, through the established reporting systems. The PWO may not be required to actually complete the reports, but for sure the PWO will be required to provide the data for the reports.

-The PWO may be required to fund personal protective equipment for employees in the departments that are required in a hazardous work situation. The PWO will have to evaluate the need, determine the requirements for, issue and control the personal protective equipment.

-The PWO should ensure that contractors under construction and maintenance service contracts are aware of safety policy, their responsibilities in regard to the Safety Program and that the contractors have developed an accident prevention plan.

All PWOs should be aware of their responsibilities within the command Safety Program and be aware that the Safety Manager has the authority to halt operations which present a major immediate hazard to personnel. If there is no Safety Manager, then the PWO would be responsible for completing and submitting to the Office of Workers' Compensation Program the required forms in all injury cases resulting in disability for work beyond the day or shift of occurrence, or which may result in a medical claim, or in any case of recurrence of a disability from a previously reported injury. The PWO would also be required to advise the injured employee of his/her right of election to file a claim for continuation of regular pay, sick or annual leave, or leave without pay. Failure by the PWO to complete and submit all required forms, can lead to a lawsuit against the PWO. Therefore, the PWO should be aware of the following forms:

-Form CA-1, Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation;

-Form CA-2, Federal Employee's Notice of Occupational Disease and Claim for Compensation;

-Form CA-4, Claim for Compensation on Account of Injury or Occupational Disease;

-Form CA-16, Request for Examination and/or Treatment;

-Form CA-17, Duty Status Report; and

-OSHA No. 101F, Supplementary Record of Federal Occupational Injuries and Illnesses.

The PWO should also consult with the Safety Manager regarding all applicable regulations and instructions pertaining to safety in the PWD. If the activity has no Safety Manager then the PWO should consult OPNAVINST 5100.23 as a starting point to locate specific safety regulations.

B. FIRE PROTECTION

1. Fire Department

a. Fire Marshall Program

The Fire Marshall program was established under the Naval District Commandants in 1946. Their mission was to inspect annually all Navy and Marine Corps fire departments in their districts. The inspection was to assess the firefighting capability and fire prevention program at each activity.

The program was transferred to NAVFAC in 1971. District Fire Marshalls became Area Fire Marshalls assigned to the Engineering Field Divisions (09B). The mission remained the same with an additional function of inspecting private shipyards doing contract work with the Navy.

The Fire Marshall acts in an advisory capacity to the local Fire Chiefs. The Fire Marshall assists the Fire Chiefs in establishing fire prevention programs, performs an annual inspection of the local fire department and investigates fires with loss of over $50,000, loss of life or serious injury and suspected arson.

b. Organization

The local fire department is within the local chain of command. To whom the fire department reports depends on the

organization of the local command or the desires of the Commanding Officer. It is even possible for the Fire Department to be an activity within the Public Works Department. If structured in this manner, the PWO has added responsibility and has to be aware of the operating procedures and regulations for the Fire Department.

Currently there is a move to convert fire protection service to service contracts. If fire protection is contracted out, the Fire Department is no longer within the chain of command of that activity. There are advantages and disadvantages to the contracting out of fire protection, but each activity will have to evaluate their own situation.

2. Inspections

a. Fire Marshall's Inspection

The area Fire Marshall is responsible for performing an annual inspection of the local fire department. The inspection is scheduled most often for a week. The inspection is a thorough examination of the fire department, the activity's fire prevention program, an inspection of all fire protection systems and of all structures to determine if they meet all fire protection requirements. A follow-up inspection is made to evaluate the correction of any discrepancies previously noted.

b. Fire Protection Engineer's Report

The Fire Protection Engineer's Report is an inspection that is performed every three years by the responsible Engineering Field Division (09A). This is also a very thorough inspection mainly concerned with life safety. For more detailed information consult NAVMATINST 11320.6.

c. PWO's Responsibility

Upon completion of the two inspections, the PWO will most likely have some follow-up corrective action to take to eliminate discrepancies noted. Most discrepancies can probably be corrected with existing Public Works Department resources, but some discrepancies may be beyond the authority and capabilities of the command. For example, the command may be required to install a complete fire alarm and sprinkler system within a structure, or add new fire exits or remodel a space or facility to comply with regulations. Any of these discrepancies can be beyond the funding authority of the local command and, therefore, a special project would have to be initiated.

Those projects within the command's authority and capabilities may require a reevaluation of the use of command resources. It is possible, if funds are limited, that some other project or work will have to be delayed to allow for the correction of reported discrepancies. The PWO should not take these inspections lightly, because they can have a major impact on the PWO's operating plan.

3. Fire Protection Systems

The PWO should be aware that for any construction of or remodeling of a structure that the plans for the project must be reviewed and approved by the Fire Protection Engineer's Division located in the EFDs before work can commence. In the designing stages, the PWO should ensure that NAVFAC DM-8, Fire Protection Systems, is utilized to ensure that all the required equipment and systems are included in the design.

At some activities it is the responsibility of the PWD to maintain and service all fire protection systems (i.e., sprinkler and alarm systems), while at other activities the fire department is responsible. If the former is the method being utilized by an activity, it may be beneficial for the PWO to negotiate with the Fire Chief and allow the fire department to assume that responsibility. The advantages to having the fire department service and maintain the systems are that the fire department's personnel will become more familiar with the systems, that they may be more knowledgeable of the mechanics of the systems and may have more time available as compared to the workload of the PWD to service and maintain the systems.

C. DISASTER PREPAREDNESS

1. Introduction

A disaster can happen in many forms depending mainly on your location. It may come as a fire, earthquake, dense smog, hurricane, tidal wave, nuclear attack or any combination of these. Most Navy facilities already possess some of the required equipment, shelters and personnel to cope with any minor disaster that may occur. However, resources that might be needed to combat an emergency will probably be located in different areas and under the control of several different people. A Disaster Preparedness Plan should be concerned with establishing a framework by which all resources would be effectively guided into a position where they could do some good.

The plan does not need to account for every nut and bolt available for emergency use, but merely set up the procedure by which actions should follow. Remember, the objective of the plan is to ensure effective use of the capabilities of the facility and to do this, the plan has to be concise and usable. It is in the best interest of the PWO to review the Disaster Preparedness Plan on an annual basis to ensure currency of the document, and to inspect any prepositioned stores to determine if deterioration has occurred.

Coordination has to occur in the facility itself as well as with other commands and the outside civilian community. The outside civilian community needs to know what the facility can and cannot do for them and in some cases what the military's help will cost. On the other hand, the facility needs to know what resources are available to them within the civilian community and who to contact if they are needed. Also, the civilian community needs to be aware of the military mission of the base. In the event of a hostile attack, the military capabilities would have to be restored before help could be given off base. By keeping each other informed much confusion can be avoided at the time of a disaster.

The aim of a Disaster Preparedness Plan is to maximize survival and preservation of property in the event of nuclear attack or natural disaster. Once this is done the plan needs to outline steps to return everything back to normal. When preparing for a disaster, one must remember that people are the main element. Far too often plans are prepared by one or two

persons who have been assigned the job. The plan that results may look good on paper but when implemented it may be inoperative. To get a plan compatible to all people involved (Public Works, Medical, Fire Department, Tenant Commands, Residents, etc.) there has to be participation by these people in the plan writing. Once a plan exists, the key people involved have to be aware of their responsibilities. These include the OOD, who will probably initiate the plan, and everyone from the base Commanding Officer down to the team leaders, who will muster the men and carry out the relief effort. Once again, it is stressed that a Disaster Preparedness Plan will only do little things. The difference between a good plan and no plan may only be a few more buildings saved or a few more lives saved. However, far too often after a disaster has hit, people realize that these little things really meant a lot to them.

2. Specific Considerations

Some of the specific considerations to be included in a Disaster Preparedness Plan should deal with the following three areas:

a. Executive Leadership Actions

Guidelines have to be set up so that persons in charge know the sequence of events emergency operations should follow.

b. Emergency Services Actions

Guidelines are set up here for the different departments (e.g., Medical, Security) as to what they should be doing for various specified types of disasters.

c. Suggested Citizen and Personnel Instructions

Basic instructions of what persons not directly involved in Disaster Groups should be doing. For example, the conserving of water or where to seek fallout shelter. Main considerations here are that not only the people get the correct information, but that all people get the same information.

In the event of a major emergency effort, a centralized headquarters will have to be established so rational decisions can be made. The Emergency Operating Center (EOC) should have representatives from all the major departments of the base, headed by the CO. In addition to the EOC, the plan should include an on-site headquarters so efforts can be correlated at that level also. As one can easily see, communication will be the vital link between these command levels. Therefore, a lot of thought must be put into this area. For example, consideration should be given to establishing a hot line (unlisted number) with the EOC and the major departments of a base, what radio frequencies are to be used and by whom, what to do when telephone lines go down and what to do if all electrical power is lost. Since communication is so vital, we have to prepare for these various levels of severity.

To maximize the efforts of the base, several outside people and organizations need to be contacted. Listed below are a few of these:

-Chamber of Commerce and Chief Executive of outside community;

-Local Civil Defense officials;

-Various departments of outside community;

-Public information service (TV, radio);

-American Red Cross; and

-National Oceanic and Atmospheric Administration (weather).

The point here is that these people will be able to help if they are aware of how they can help.

The following is a miscellaneous checklist of items that need to be included in the plan:

-Call-up lists of key personnel will be useful in activating the basic plan;

-Succession of command should be clearly established in case several key persons are lost;

-Standardize the warning signal. Everyone should know what to do if a siren starts screaming;

-Where fallout shelters are located and to which one they have been assigned;

-Plan should be broken into differnet sections for different type disasters (possibly by using different annexes).

-Have a list of major local resources for emergency operations;

-Base should be divided into areas of priority. What to save first; and

-A mass evacuation plan should be established and guidelines given as to the circumstances when it should be invoked.

3. Responsibilities of PWO

A PWO should be aware of assigned responsibilities, because the PWO may be required to play many different roles. One of the most vital concerns to the PWO during emergency conditions is utilities. The following are examples of actions that might be the responsibility of the Public Works Department in the event of a disaster.

-Valve-off the gas distribution at the point of entry to the base;

-Turn-off the overhead electrical system;

-Shut down heating plants;

-Valve-off the water distribution system at the storage tank to ensure that water is available for decontamination and firefighting;

-Shut-off (in coordination with the fire department) parts of the water distribution system which may have leaks in order to provide full water pressure for firefighting; and

-Start up emergency generators.

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CHAPTER XIII

THE ENVIRONMENT

A. ENVIRONMENTAL POLICY---------- 861

1. Introduction---------- 861

2. Legislation---------- 862

a. Background---------- 862

b. Laws and Regulations---------- 863

c. Navy Policy---------- 863

3. Compliance---------- 864

B. RESPONSIBILITIES---------- 865

1. Chief of Naval Operations---------- 865

2. Chief of Naval Material---------- 865

3. Naval Facilities Engineering Command---------- 866

4. Major Claimants---------- 866

5. Naval Environmental Protection Support Service--- 866

a. The System---------- 866

b. Navy Environmental Support Office---------- 867

c. Regional Environmental Support Offices------- 867

d. Specialized Support Groups---------- 869

6. Area Coordinators---------- 869

7. Oceanographer of the Navy---------- 869

8. Bureau of Medicine and Surgery---------- 869

C. ENVIRONMENTAL PROGRAMS---------- 870

1. Air---------- 870

a. Legislation---------- 870

b. Program---------- 871
c. NEPSS Assistance---------- 872
2. Water---------- 872
a. Legislation---------- 872
b. NEPSS Assistance---------- 876
3. Oil and Hazardous Substances---------- 877
a. Oil Spills---------- 877
b. Spill Prevention Control and Countermeasure Plans---------- 879
c. Hazardous or Toxic Materials---------- 880
4. Noise---------- 881
5. Solid Waste Disposal---------- 883
a. Disposal---------- 883
b. Recycling---------- 883
6. Shipboard Pollution---------- 884
a. Air---------- 884
b. Sewage---------- 885
7. Pesticides---------- 885
a. Use---------- 885
b. Control---------- 887
c. Disposal---------- 887
D. FUNDING OF ENVIRONMENTAL PROJECTS---------- 888
1. General---------- 888
2. Planning---------- 888
a. Pollution Control Report---------- 888
b. PCR Composition---------- 889
3. Programming---------- 891

4. Budgeting----------891

a. Authority----------891

b. Appropriations----------891

E. ENVIRONMENTAL STATEMENTS----------892

1. Legislation----------892

2. Evaluation Process----------894

a. Preliminary Environmental Assessment--------894

b. Environmental Assessment----------895

c. Finding of No Significant Impact----------896

d. Draft Environmental Statement----------896

e. Final Environmental Statement----------898

f. Document of Decision----------898

F. ENVIRONMENTAL AWARDS----------899

APPENDIX A: National Environmental Policy Act----------900

APPENDIX B: List of Laws, Executive Orders and Instructions----------903

APPENDIX C: Pollution Control Report----------910

BIBLIOGRAPHY FOR CHAPTER XIII----------914

SUGGESTED REFERENCES----------914

XIII. THE ENVIRONMENT

A. ENVIRONMENTAL POLICY

1. Introduction

> "The Congress, recognizing the profound impact of man's activity on the interrelations of all components of the natural environment, particularly the profound influences of population growth, high-density urbanization, industrial expansion, resource exploitation, and new and expanding technological advances and recognizing further the critical importance of restoring and maintaining environmental quality to the overall welfare and development of man, declares that it is the continuing policy of the Federal Government, in cooperation with State and local governments, and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans."

This quotation from the National Environmental Policy Act of 1969 establishes the national policy for the environment; a copy of the Act is provided as Appendix A to this chapter.

This major legislative policy statement served as the cornerstone for establishment of a complex set of laws and jurisdictional bodies which have been developed with the goal of protecting or improving the environment. However, in addition to the laws that require protection of the environment, the public attitude has changed so that environmental considerations are expected as well as required. Because of the vital importance of environmental protection, it is one of

the most critical concerns for the Public Works Officer. The Navy should comply and the Navy must comply with both the laws and the expectations of the public.

2. Legislation

a. Background [NESO, 1978]

The earliest environmental protection laws only covered air and water pollution, but the number of media now covered by law has expanded appreciably. The scope of the law, with regard to federal agencies, has also expanded. The earlier laws did not require the Navy to comply with state and local administrative standards such as permits and judicial remedies; however, there has been a trend in recent federal environmental legislation to give states more administrative authority over federal activities.

The first clear evidence of Congressional intent to chop away traditional federal supremacy in pollution abatement showed up in the 1976 amendments to the Solid Waste Disposal Act. The language of the amendments is important enough to be quoted:

> "Each department, agency, and instrumentality of (each branch) of the federal government ... shall be subject to and comply with, all federal, state, interstate and local requirements, both substantive and procedural (including any requirement for permits or reporting or any provision for injunctive relief and such sanctions as may be imposed by a court to enforce such relief) ... to the same extent as any person is subject to such requirements, including to the payment of reasonable service charges."

Since 1976, similar language has been added to the Clean Air Act, Clean Water Act, and the Safe Drinking

Water Act. The Clean Air Act and the Clean Water Act amendments are more specific about who must comply by adding that, "... each officer, agent, or employee (of the federal government) ..." shall also comply with all applicable federal, state, interstate, and local requirements in the performance of their official duties. The degree to which an officer, agent, or employee of the federal government can personally be held liable for acts of non-compliance in each of the Acts is unclear because of variations in the text of each amendment. It appears that Congress is refining its intent in each new amendment. What is clear is that responsible persons will not personally be subject to civil penalties, but may be subject to criminal penalties.

b. Laws and Regulations

A compilation of pertinent laws, Executive Orders and instructions is provided as Appendix B.

c. Navy Policy

Navy policies, procedures and actions in regard to environmental protection are contained in OPNAVINST 6240.3, The Environmental Protection Manual.

As stated in the OPNAV instruction, it is the policy of the Navy to actively participate in a program to protect and enhance the quality of the environment through adherence to applicable regulatory standards, and by initiating actions to prevent or control pollution caused by Navy facilities.

In accordance with Executive Order 11752, Navy shore activities and forces afloat shall cooperate with federal, state and local environmental protection agencies and comply with the applicable official substantive standards and criteria promulgated by such agencies. Compliance with state or local administrative procedures is not required except for solid waste and hazardous material disposal which must be in compliance with applicable administrative procedures under the Solid Waste Disposal Act, and underground injection of fluids which must be in compliance with applicable administrative procedures under the Safe Drinking Water Act. The above OPNAV guidance, based on Presidential guidance of Executive Order 11752, is in apparent conflict with the Congressional requirements for mandatory compliance by federal facilities with substantive and administrative standards. For those laws that have been amended by Congress, the restriction to compliance with only the substantive portion of the Act is no longer valid; for those Acts, the Navy must comply with both substantive and administrative requirements.

3. Compliance [NESO, 1978]

One hundred percent compliance with every applicable environmental standard[8] at a given location may be unrealistic

[8] In this discussion, the word "standard" will include both substantive and administrative requirements that apply to limits on quantities and rates of pollution; performance standards for equipment; process prohibitions; process limitations; compliance dates; inspections; permits and permit applications; record keeping; reporting; training and certification; and judicial remedies.

and impossible. The process of simply identifying the applicable standards is complex. The basis for each federal standard is a Public Law; there are about 60 federal regulations containing several hundred standards that impact on Naval activities. Since 1970, the number of state and local standards has also grown extensively. The total now stands at nearly 3,000 laws or regulations that must be examined for requirements that may affect Navy operations.

B. RESPONSIBILITIES

1. Chief of Naval Operations

The Environmental Division (OP-45) which is under the direction of the Deputy CNO for Logistics and directed by a CEC officer, performs the following functions in the Navy environmental program: establishes policy; directs, coordinates and monitors the Navy Environmental Protection Program; effects coordination with DOD and the non-military agencies involved in environmental quality matters; and provides a central Navy point for review of environmental impact statements.

2. Chief of Naval Material

The CNM is responsible for identifying and evaluating Naval systems and equipment affecting environmental quality; validating material-related facility projects and programs to correct environmental deficiencies; conducting research into environmental pollution problems associated with material development and acquisition; identifying training requirements;

ensuring that environmental problems associated with new materials are identified; and providing technical advice concerning environmental matters.

3. Naval Facilities Engineering Command

In addition to any of the above responsibilities delegated by CNM, NAVFAC provides staffs at the Engineering Field Divisions for environmental matters; and operates the Naval Environmental Support Service.

4. Major Claimants

Major Claimants are responsible for identifying and maintaining current information concerning all aspects of their operations which affect environmental quality, and determining the feasibility of taking necessary actions to improve environmental quality [CECOS, 1979].

5. Naval Environmental Protection Support Service

a. The System (OPNAVINST 6240.3)

The Naval Environmental Support Service (NEPSS) is a centralized operation established within the Naval Facilities Engineering Command. NEPSS functions are to collect, process and disseminate environmental protection data and to document the extent to which the environment is affected by Navy facilities and operations. It is a technical support service designed to gather, analyze and make available to responsible commands, environmental protection information. The objective is to create a single, centralized service that supports all Navy units in their efforts to meet the goals of the environmental protection program.

In short, NEPSS is the Navy clearing house for environmental data, information and technical expertise. Refer to NEPSS organization, Figure XIII-1.

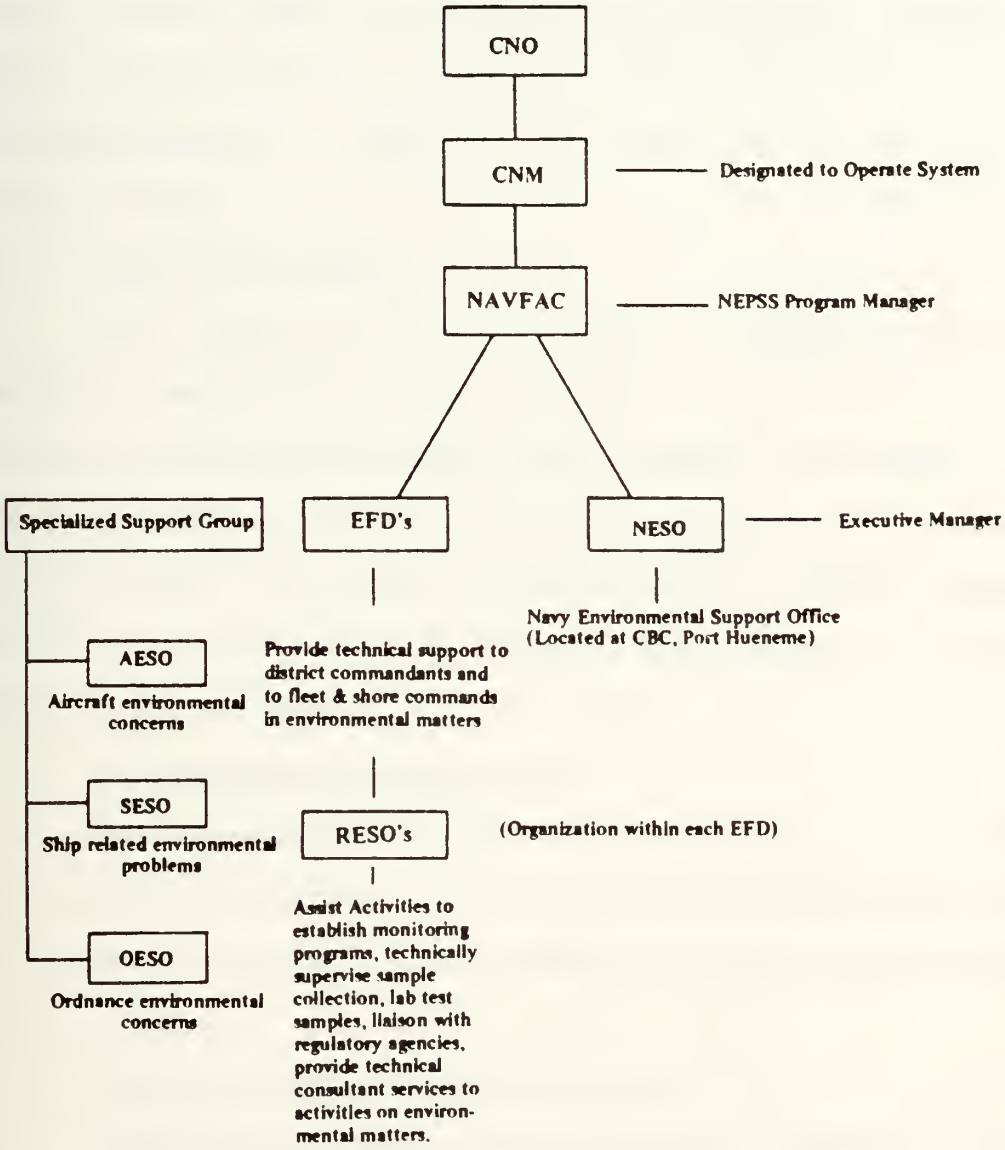
b. Navy Environmental Support Office [CECOS, 1979]

The Navy Environmental Support Office (NESO), located at the Naval Construction Battalion Center, Port Hueneme, California, is the executive agent and overall program coordinating office for the NEPSS. It also maintains an environmental data center and has specialty teams available for short-term measurement projects and special investigations of pollution problems.

c. Regional Environmental Support Offices

Regional Environmental Support Offices (RESO) were established to provide NEPSS representation in the six Engineering Field Divisions (EFD). Organizationally, they are a part of the EFD, and are responsible for the technical management of shore activity environmental monitoring, and the collection and dissemination of data. In general, they respond to local inquiries, assist in establishing monitoring programs, and provide resources to develop cost-effective pre-abatement and post-abatement programs for all media.

The RESO is the principal source of assistance for the activity Public Works Department. RESO personnel are usually familiar with the environmental conditions at each activity and with the applicable regulations for the locality, and are available for either informal or formal assistance.



NEPSS Organization

Figure XIII-1

d. Specialized Support Groups

Special technical groups for Navy ships, aircraft, and weapons systems provide the expertise required of NEPSS in those areas. The groups include a Ship Environmental Support Office (SESO) and Ordnance Environmental Support Office (OESO) in the Naval Sea Systems Command, and an Aircraft Environmental Support Office (AESO) in the Naval Air Systems Command.

6. Area Coordinators

The responsibilities of Area Coordinators are to coordinate and implement the National Oil and Hazardous Substances Pollution Contingency Plan within their area; to promote environmental protection and enhancement efforts being conducted under the primary responsibility of other commands; and to coordinate public release of information on environmental quality matters.

7. Oceanographer of the Navy

The Oceanographer serves as an advisor to the NEPSS on all matters relating to the ocean environment, and uses NEPSS data to assess the environmental impact of its activities.

8. Bureau of Medicine and Surgery

The Bureau of Medicine and Surgery (BUMED) provides technical assistance on human health aspects of pollution; it provides industrial health information and establishes Navy-wide health standards.

C. ENVIRONMENTAL PROGRAMS

1. Air

a. Legislation [NESO, 1978]

All air pollution standards result basically from the federal Clean Air Act, as amended. Nearly every operation that results in an air emission is subject to some type of limitation.

Air pollution emission sources are categorized as either stationary or non-stationary (transportation). Federal performance standards exist for categories of new stationary sources, but old stationary sources are not covered. The most stringent standards that apply to old stationary sources are state or local regulations. In addition to the regulation of stationary sources, state plans may also include transportation controls for vehicles.

There is no federal system of providing permits for air pollution sources. As a result of the 1977 Clean Air Act amendments, the Navy is now subject to state and local permit requirements and other administrative standards.

The Navy Air Pollution Source Information System (NAPSIS), which was developed by NESO, lists some 5,500 air emission sources at Navy activities that are subject to the standards of about 90 regulatory agencies. The standards include maximum emission limits for boilers, incinerators, petroleum storage tanks, fire fighting training, open burning of munitions, industrial processes such as plating, spray painting and sand blasting; rocket engine testing, and possibly

jet engine test facilities. There are operational and process standards affecting demolition of buildings, application of asbestos insulation, fuel and fueling operations, modifications to existing sources, siting of new sources, paint formulations, and the use and maintenance of vehicles.

b. Program

The continuing air pollution abatement program within the Navy involves the reduction of non-complying and potentially harmful emissions. Examples of projects to accomplish this goal are: conversion of boilers to cleaner burning fuels; installation of stack monitors to control emissions from boilers and incinerators; elimination of open burning; the Boiler Tune-Up program and other programs related to industrial gaseous and particulate emissions [OPNAVINST 6240.3].

The Boiler Tune-Up (BTU) program is presently the most active Navy air pollution abatement program. Stationary air sources are both serious polluters and major consumers of energy. Since a majority of the larger Navy boilers are of World War II vintage, many are operating at less than peak efficiency. The BTU program calls for adjusting boiler fire control settings, optimizing operations for best fuel use, and performing maintenance intended to reduce fuel consumption. This more efficient boiler operation produces cleaner air, as well as reducing fuel consumption.

c. NEPSS Assistance

NEPSS personnel are available to activities to assist in resolution of air pollution problems, and to conduct the tests required for the BTU program. In addition, NEPSS teams can respond to requests to provide source emission tests and ambient air tests, including determining the operating efficiency of abatement equipment, verifying compliance with local air standards, and obtaining operating data to develop emission factors for project design.

2. Water

a. Legislation [NESO, 1978]

(1) Best Practicable Control Technology. The essence of the water pollution abatement effort for Navy shore activities is a permit system called the National Pollutant Discharge Elimination System (NPDES). This permit system is a major mechanism of the Federal Water Pollution Control Act designed to regulate the discharge of wastewater from point sources. Permits for Navy sources are issued by the Environmental Protection Agency (EPA). The Clean Water Act of 1977 gives states permit authority over the Navy--whether such authority is approved by EPA or not. Current Navy permits already incorporate appropriate state standards, particularly where state standards are more stringent than federal standards.

In air pollution control, there is reliance on federal ambient standards and state emission standards. The reverse is true in water pollution control; states have established receiving water (ambient) standards, and, at least

"So that's where it all goes! I'd never have known if you EPA folks hadn't pointed it out."

(New Yorker, 1975)

for federal facilities, EPA has established discharge (emission) standards via NPDES permits.

The primary intent of the Clean Water Act is to eventually eliminate the discharge of pollutants into navigable waters. The Clean Water Act of 1977 allows, under certain conditions, discharges to continue for up to two years beyond the 1985 "no discharge" goal. Two interim milestones were established to meet this goal.

Issuance of the first round of NPDES permits started in 1973 and was directed toward meeting a federal "best practicable control technology" (BPCT) milestone. Discharges from wastewater treatment plants were required to meet effluent limits equivalent to secondary treatment by July 1977. This BPCT milestone was extended for some plants to July 1983. Discharges from all other sources were to either connect to a treatment plant or meet best practicable control technology currently available. Dischargers choosing to connect to treatment plants are exempt from BPCT in those cases where the tie-in has not been completed because the treatment system is either incomplete or inadequate. However, even in this case, the exemption cannot extend beyond July 1983.

(2) Best Available Technology. Since 1978, a second round of permits are required for point sources which continue to discharge directly to a waterway. This round of permits is intended to implement more stringent "best available technology" (BAT) standards to achieve swimmable and

fishable water quality. Toxic pollutants must be controlled by July 1984 and BAT standards for nontoxic organic, chemical, and thermal pollutants must be achieved by July 1987.

The compliance requirements for each discharge point in NPDES permits are very explicit. The permits impose quantified effluent standards for BOD, pH, total dissolved solids, oil, heavy metals, and other toxic and nontoxic substances. The actual numerical limits depend on the type of process that generates the effluent. There are standards for cooling and blowdown from boilers; effluent from treatment plants, photographic labs, laundries, plating operations, pesticide formulation operations, hospitals, and explosives manufacturing plants, and numerous organic and inorganic chemical processes. In addition to limits, the permit prescribes monitoring and reporting frequencies and other compliance milestones.

Since 1977, states with approved NPDES programs have had NPDES permit jurisdiction over Navy discharge points. At least one state has already requested Navy activities to file permit applications, even though those activities have valid EPA issued permits. This remains a complex jurisdictional issue; but whether permits are issued by states or EPA, the compliance requirements and compliance dates are essentially the same.

(3) Section 208. Navy policy is to utilize municipal or regional wastewater disposal systems whenever possible and economically feasible, rather than to continue

to operate Navy treatment plants. Sources discharging into regional disposal systems are not required to have NPDES permits, but are required to pay usage fees. If the Navy source adds a significant load to the treatment plant, the Navy must pay a share of any capital costs required to add capacity at the treatment plant. In addition to these costs, pretreatment of effluent may be required to reduce the concentration of certain pollutants before discharging into a sewer system.

Section 208 of the Federal Water Pollution Control Act authorizes states to designate areas for which regional wastewater treatment is necessary. Each area has an administrative organization which must develop waste treatment management plans complete with treatment systems, timetables and funding plans. Once approved by EPA, the plan is binding upon all activities in that area--including the Navy.

In view of the significant impact that regional wastewater systems can have on the Navy, it is imperative that activity PWD personnel become acquainted with state and area-wide treatment standards and plans, and establish liaison with local planning organizations. It is important that activity personnel participate in early planning to ensure that Navy interests are considered in development of regional plans.

b. NEPSS Assistance

Because of the stringent regulations of the Federal Water Pollution Control Act, the major effort of NEPSS is concentrated on the wastewater program.

NEPSS assists activities in meeting the monitoring requirements of NPDES permits by serving as a central procurement office for sampling and monitoring equipment, training personnel, identifying qualified analysis laboratories, and establishing procedures for handling of water samples. NEPSS also compiles raw data from the activities and provides reports to the activities, and prepares the quarterly reports required by NPDES permits.

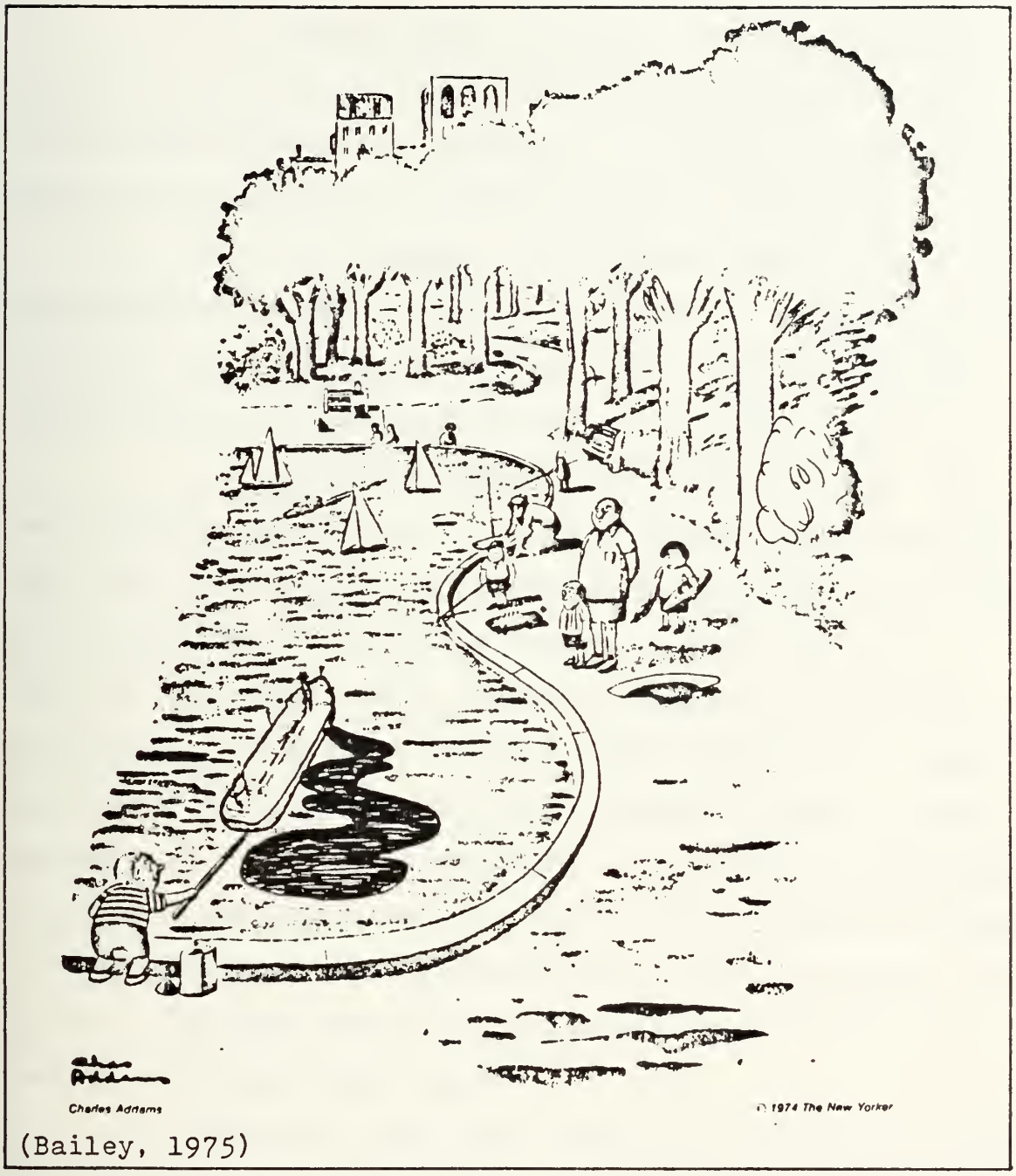
3. Oil and Hazardous Substances

a. Oil Spills

The Navy's largest single pollution abatement problem is oil. Oil pollution regulations are very strict, because discharge of oil into the water can create visible, serious and lasting effects on marine life, alter human food resources, render beaches useless and present an opportunity for fire or explosion. Clean-up of oil spills is time-consuming, difficult, and costly; and oil spills have resulted in claims against the government. An additional impact is the adverse public image earned for the Navy [OPNAVINST 6240.3].

The Federal Water Pollution Control Act prohibits discharge of oil or hazardous substances into navigable waters of the United States. Navy policy is that oil or oily wastes will not be discharged from any shore activity or any ship within 50 miles of shore in sufficient quantity to cause a sheen on the water.

A four-part program has been established to deal with the oil pollution problem:



(Bailey, 1975)

(1) Preventive Measures. This phase of the program consists of inspecting shipboard and land sources of possible oil pollution, and modifying the equipment and/or structures to reduce the possibility of spills.

(2) Operational Procedures. Under this phase, operational procedures for all oil handling operations are reviewed and modified as necessary. In addition, improved training and maintenance techniques may be identified.

(3) Containment. This phase involves the containment of a spill to limit its spread. The Navy has available oil containment booms as well as surface active liquid film materials which retard the spreading of oil.

(4) Clean-up [CECOS, 1979]. The National Oil and Hazardous Substances Pollution Contingency Plan requires that those responsible for pollution are responsible for the cost and action to accomplish clean-up. Accordingly, the Navy has developed a rapid response capability to clean up oil emanating from Naval vessels or shore facilities. This response capability includes prepositioned equipment, craft, and material at various activities, with a trained organization to clean up oil spills within harbors. The PWD may be involved to varying degrees in maintaining the oil spill recovery capability. The Navy Supervisor of Salvage is responsible for dealing with deep ocean spills.

Naval activities are required to develop oil spill contingency plans to provide for coordinated action to minimize damage caused by oil spills.

b. Spill Prevention Control and Countermeasure (SPCC) Plans

Federal laws require that all activities having a reasonable potential for discharging oil or other hazardous

substances from non-transportation related facilities into navigable waters prepare SPCC plans. Navy oil spill contingency plans discussed above provide for coordinated regional action to minimize damage from oil spills. On the other hand, a SPCC plan is for a single activity and establishes procedures, methods, equipment and other requirements to prevent the spillage of oil from non-transportation related facilities. Thus, the contingency plan and the SPCC plan represent two separate requirements, and two separate documents.

A SPCC plan is required for each activity that has oil storage capacity, and is located along navigable waters or tributaries to navigable waters[9].

The SPCC plan specifies certain measures and equipment that should be utilized to prevent spills, and to combat spills after they occur. The SPCC plan is an engineering document which must be reviewed by a registered professional engineer. The plan is to be maintained at the activity and be made available to EPA personnel if requested.

c. Hazardous or Toxic Materials

The general category of hazardous waste includes toxic chemicals, flammables, radioactive material, explosives and biological wastes. At military installations, these wastes may result from excess or out-of-date warehouse material, routine maintenance and repair, industrial activities, pollution abatement and sanitary engineering facilities, and medical and

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[9]It is noted that a minor tributary such as a drainage ditch may be defined as a tributary to a navigable waterway.

laboratory facilities. The Consolidated Hazardous Item List, NAVSUP Publication 4500, lists some 4000 hazardous items in the Navy supply system, along with disposal procedures. Specific guidance concerning hazardous material disposal should be requested from the cognizant EFD.

The Federal Water Pollution Control Act prohibits discharge of hazardous substances into navigable waters of the United States. The Solid Waste Disposal Act requires establishment of standards for producers, transporters and operators of hazardous waste treatment, storage and disposal facilities. Standards require EPA or state permits; Navy activities must comply with federal and state requirements for hazardous material disposal.

4. Noise [NESO, 1978]

The Federal Noise Control Act (NCA) of 1972 emphasizes source control to abate noise that jeopardizes health and welfare. Federal performance standards are applied in the design of certain new vehicles, railroad equipment and aircraft. To date, few federal standards are applicable to Navy equipment or operations. However, state and local noise laws, on the other hand, prescribe noise path limits. Such limits are often stated as maximum noise levels which are allowed to cross a property line--otherwise known as boundary noise limits. The Navy is required to comply with these limits.

Workplace noise is not considered environmental noise. It is regulated by the Occupational Safety and Health Act (OSHA).

The Navy, as noted in OPNAVINST 6240.3, has interpreted the Federal Noise Control Act as a directive to implement noise control programs; the OPNAV instruction provides more explicit requirements for the Navy than do the noise laws. EPA has identified noise standards applicable to Navy facilities; according to EPA, Navy owned and operated railroad engines, trucks, buses and other vehicles are required to comply with in-use noise emission standards. The in-use standards do not appear to apply to military aircraft. Although it is not legally required, the Navy is carrying out extensive aircraft noise abatement studies.

State and local substantive noise laws relating to building codes, land use and zoning regulations are generally implemented through administrative procedures which do not apply to federal facilities. Property boundary noise limits, however, do apply to noise generated by aircraft ground operations, munition detonation, public address announcements, stationary running of engines, and numerous industrial and construction operations. The most pressing noise problem confronting the Navy is that associated with aircraft flight operations and post-maintenance ground run-up operations at Naval Air Rework Facilities and Naval Air Stations. This specific problem is being dealt with by the Air Installation Compatible Use Zones (AICUZ) program.

5. Solid Waste Disposal

a. Disposal [CECOS, 1979]

The Solid Waste Disposal Act (SWDA) governs the disposal of solid waste on land and the resources recovery program. In accordance with the Resource Recovery Act which amended the SWDA, EPA has promulgated guidelines for land disposal and thermal processing operations which are mandatory for Navy activities. The EPA guidelines delineate minimum levels of performance required of any solid waste disposal site operation. Significant assistance in this area is available from the RESOs and NEPSS.

b. Recycling [CECOS, 1979]

Approximately 65 percent of the solid waste generated at Naval activities is composed of paper, glass and metal, a large percentage of which is recyclable. This indicates that activities could take action to reduce the volume of wastes being disposed of in diminishing landfill areas by reclaiming material through recycling efforts. Waste recovery by recycling would conserve diminishing natural resources and simultaneously enhance environmental quality. NAVCOMPT Instruction 7020.18, Trash and Waste Material Recycling, discusses funding of activity recycling programs.

NEPSS has developed a guide to recovery and reuse of refuse resources (called the "R^4" Guide), as an attempt to alter the common attitude that base trash handling and disposal are two of the most unpleasant and unrewarding PWD jobs. The material and fuel value of this refuse has risen to the point

HERB BRAMMEIER, JR.

"Then it's agreed—one million for research in recycling and two million to publicize it."

(Bailey, 1975)

where refuse can indeed be considered a resource. Recovery of high quality paper stock and metal cans can produce income. For participating activities, Congress permits some of this income to be used to upgrade the base. As energy, refuse can produce up to 15 percent of total needs, as was proved at Naval Base, Norfolk [Goode and Kneeling, 1976].

6. Shipboard Pollution

a. Air

Navy vessels, compared to shore facilities, are not significant sources of pollution; however, since they are highly visible to the community, any pollution from these sources may be considered undesirable. Some air pollution control agencies have emission standards that specifically apply to vessels, but there is little indication that other

air pollution control districts desire to regulate air emissions from vessels [NESO, 1978].

b. Sewage

EPA standards concerning Navy marine sanitation devices become effective when the ship has a certified pollution abatement system installed, but not later than April 1981. The standards prohibit discharge of raw sewage into the navigable waters of the United States. Ships are outfitted with a Collection, Holding and Transfer (CHT) system, a retrofit which allows shipboard sewage to be collected in holding tanks. Sewage is retained onboard while ships are within three miles of the coastline. Upon reaching shore facilities, ships connect sewage hoses and discharge via pier pipelines and pump stations to treatment facilities [Lancaster, 1976].

7. Pesticides

a. Use

The Federal Insecticide, Fungicide and Rotenticide Act (FIFRA) as amended by the Federal Environmental Pesticide Control Act (FEPCA), regulates the use of pesticides to prevent unreasonable adverse effects on the environment. The legislation delegates regulatory authority to the states. Several sections of FIFRA have direct application to the Navy programs and are summarized as follows: [OPNAVINST 6240.3]

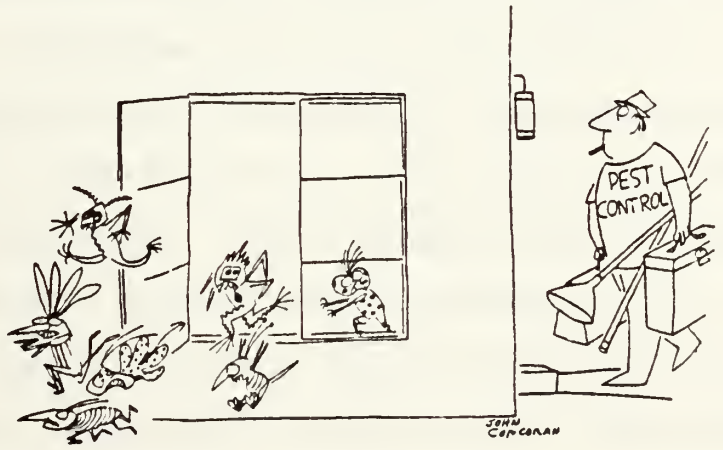
(1) Registration of Pesticides. Except as otherwise provided in FIFRA, federal or state agencies may not receive, hold, deliver, or ship any pesticide which is not

registered with EPA. Only pesticides and equipment listed in the DOD section of the Federal Supply Catalog can be utilized for pest control operations.

(2) Classification of Pesticides. EPA must certify each pesticide for general use or for restricted use. Restricted use pesticides may be applied only under the supervision of a certified applicator.

(3) Certification Standards. EPA has prescribed the minimum standards for the certification of pesticide applicators. All Navy personnel responsible for pest control operations--application and direct management--are required to be trained and certified competent.

The reporting requirements of the pest control program, and other program information, are discussed in NAVFAC Instruction 6250.3, Pest Management Operations in the Naval Shore Establishment [CECOS, 1979].



(New Yorker, 1975)

b. Control

Pursuant to federal law, the introduction of certain pesticides into any waterway or into publicly owned treatment plants is prohibited; "zero discharge" is defined to mean "none measurable by any means." Runoff, including rinsewater from pesticide formulation areas, is included as a discharge and is also prohibited. Regulations also have been established for pesticide storage facilities.

Some pesticides, because of their acute toxicity, have been banned. Because of the quantities of pesticides used by the Navy, the banning of a pesticide usually creates a major disposal problem.

c. Disposal

The hazards associated with toxic pesticides require appropriate facilities, procedures and personnel training for disposal operations. Guidance concerning disposal of any pesticide or pesticide container should be obtained from the applied biologist on the EFD staff.

Procedures have been established for disposal of the different classes of pesticide (organic, metallo-organic, etc.) for for decontamination and disposal of different categories of containers. Some procedures may be accomplished at the activity; however, many procedures require specialized equipment available only at approved disposal sites. Further information is provided in NAVFAC MO-213, Solid Waste Management Manual.

D. FUNDING OF ENVIRONMENTAL PROJECTS

1. General

Environmental pollution abatement projects may be identified at the activity level, by the RESO/NEPSS or by the Major Claimant. The projects may be for construction of new facilities necessary to comply with pollution regulations, or to repair existing facilities.

Projects in support of the environmental protection program must be processed, as are other non-environmental projects, in the Five-Year Defense Program (FYDP). An additional requirement for environmental projects is submittal of a Pollution Control Office of Management and Budget Report.

2. Planning

a. The Pollution Control Report

As noted above, the only difference between environmental projects and others, as far as the planning process is concerned, is with respect to the Pollution Control OMB Report, generally referred to as the PCR within the Navy. The PCR lists Navy pollution abatement deficiencies as compared with applicable air, water, solid waste, noise and radiation standards.

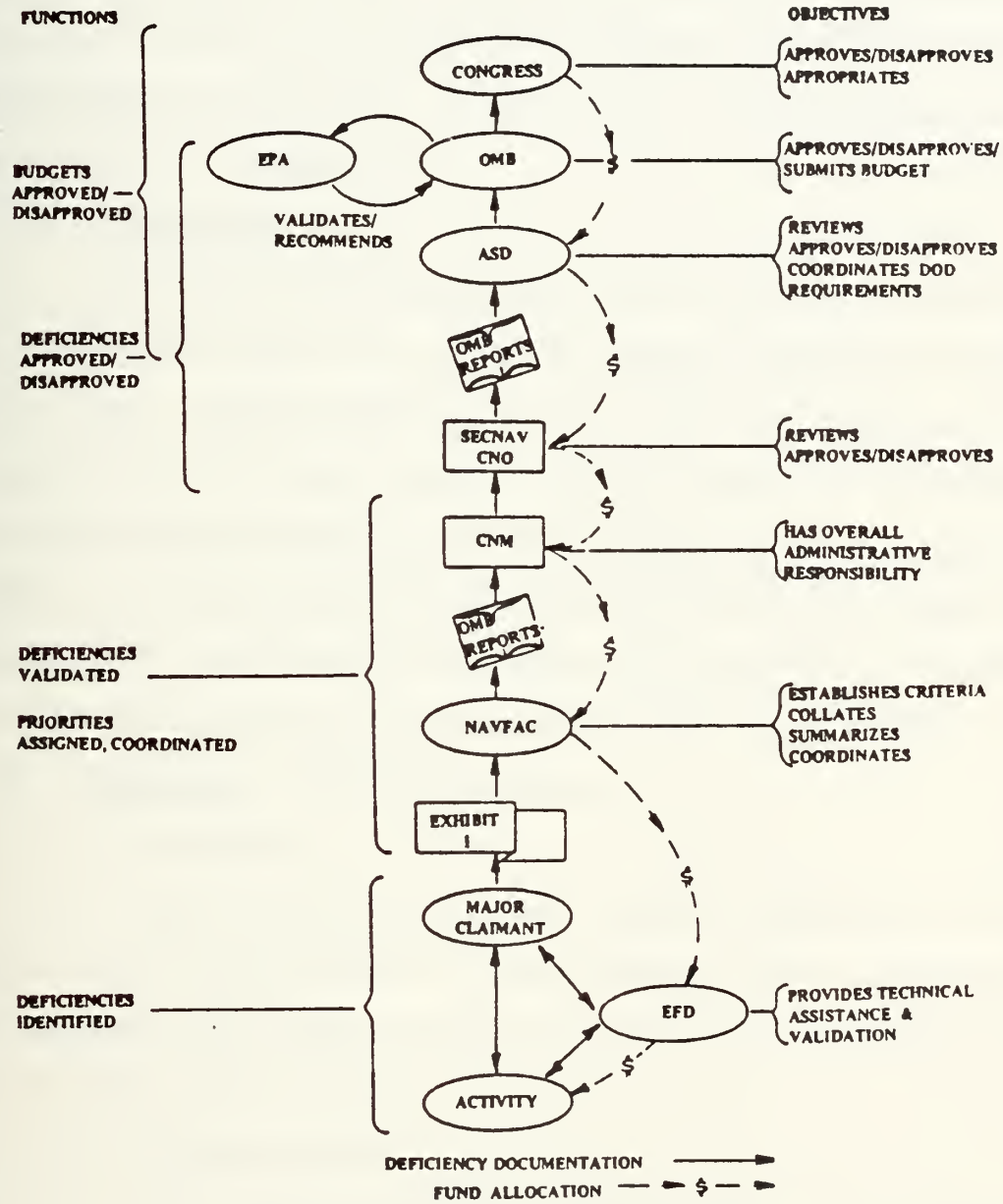
The PCR, which constitutes the planning phase for environmental projects, establishes the Navy's requirement for the environmental projects for the five-year period and out-years. Upon validation by EPA and approval by OMB, the PCR becomes the basis for subsequent programming and budget actions, and serves as a review document for evaluation of progress in project accomplishment.

"No matter what ecological data we feed in, the print-out always reads: 'It's too late to save me, just save yourself.' "

(Martin, 1977)

b. PCR Composition [CECOS, 1979]

(1) Proposed Project Report. Figure XIII-2 shows the processing of the PCR. It is noted that the deficiency may be identified by the activity, the EFD-RESO, or by the Major Claimant. The deficiency is first identified on a Proposed Project Report, which contains Exhibit 1 and Exhibit 2 information. Exhibit 1 lists detailed information for the individual project; Exhibit 2 is a summary and status report of all Navy plans, which lists a synopsis of each project.



Data and Fund Flow - OMB Reports

Figure XIII-2

(2) The PCR. The Exhibit 1's from the various activities are compiled by the cognizant EFDs and forwarded to NAVFAC for review and summarization into the Exhibit 2's, which constitute the PCR. The PCR, which now contains all Navy deficiencies, is forwarded to EPA for validation and then to OMB for approval. Sample copies of Exhibits 1 and 2 are provided as Appendix C.

3. Programming

The validated and approved PCR constitutes the basis for the establishment of the environmental protection program in the POM. The POM represents the scope of the approved program for a five-year period, and also authorizes a change to those resources made available through the FYDP. For example, the validated and approved PCR for fiscal years 1980 through 1984, when included in POM 80, constitutes the approved environmental protection program for FY80 through FY84.

4. Budgeting [OPNAVINST 6240.3]

a. Authority

The approved Pollution Control OMB Report, to the extent it is incorporated into the approved POM, constitutes the authority for budget requests in the various appropriations for the next fiscal year.

b. Appropriations

(1) Military Construction, Navy. The MCON appropriation normally provides for real property acquisition (such as sewage and industrial waste systems and vapor control systems). It is essential that pollution abatement projects

identified in the PCR be processed in accordance with the Shore Installation Facility Planning and Programming System, including the validation of projects and assignment of priorities by Major Claimants.

(2) Operations and Maintenance, Navy. O&M,N provides for pollution abatement Special Projects, studies, the acquisition and replacement of facilities and equipment within the definition of "expense." Activity O&M,N funds must be used for routine operation and maintenance of pollution control facilities. OMB has determined that project funds cannot be used for costs associated with normal maintenance or operation of plants.

(3) Research, Development, Test and Evaluation, Navy RDT&E funds are used for research and development concerning environmental protection equipment and methods.

(4) Other Procurement, Navy. OPN funds are normally used to provide for investment acquisitions--those over $1,000 and not procurable under other appropriations.

E. ENVIRONMENTAL STATEMENTS

1. Legislation

One of the provisions of the National Environmental Policy Act (NEPA) is that all federal agencies shall include, in every recommendation or report on proposals for legislation and other major federal actions significantly affecting the human environment, a detailed statement on the environmental impact of the proposed action, any adverse environmental

effects which cannot be avoided should the proposal be implemented, alternatives to the proposed action, the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

The objective of NEPA is to have federal agencies build into their decision-making processes, beginning at the earliest possible point, an appropriate and careful consideration of the environmental aspects of a proposed action, in order that adverse environmental effects may be avoided or minimized and environmental quality previously lost may be restored. This consideration of the environment is documented in reports called Environmental Statements (ES).

It is important to note that completion of environmental documentation is not an end in itself, but is intended to be integrated into the decision-making process for Navy actions. The purpose is to present an analysis of environmental impacts and their reasonable alternatives. By doing this and by having the necessary documents available to the decision-maker at the earliest possible point in the action's decision process, the intent of NEPA and the legal interpretation of the adequacy of the impact documentation are significantly enhanced.

As a consequence of NEPA and implementing regulations, the Navy cannot commence work on major projects and programs

having a significant impact on the quality of the human environment until the public has had an opportunity to examine environmental statements. It is noted that the ultimate decision as to the adequacy of any environmental statement rests with the courts. Hence, all documents are vulnerable in this regard.

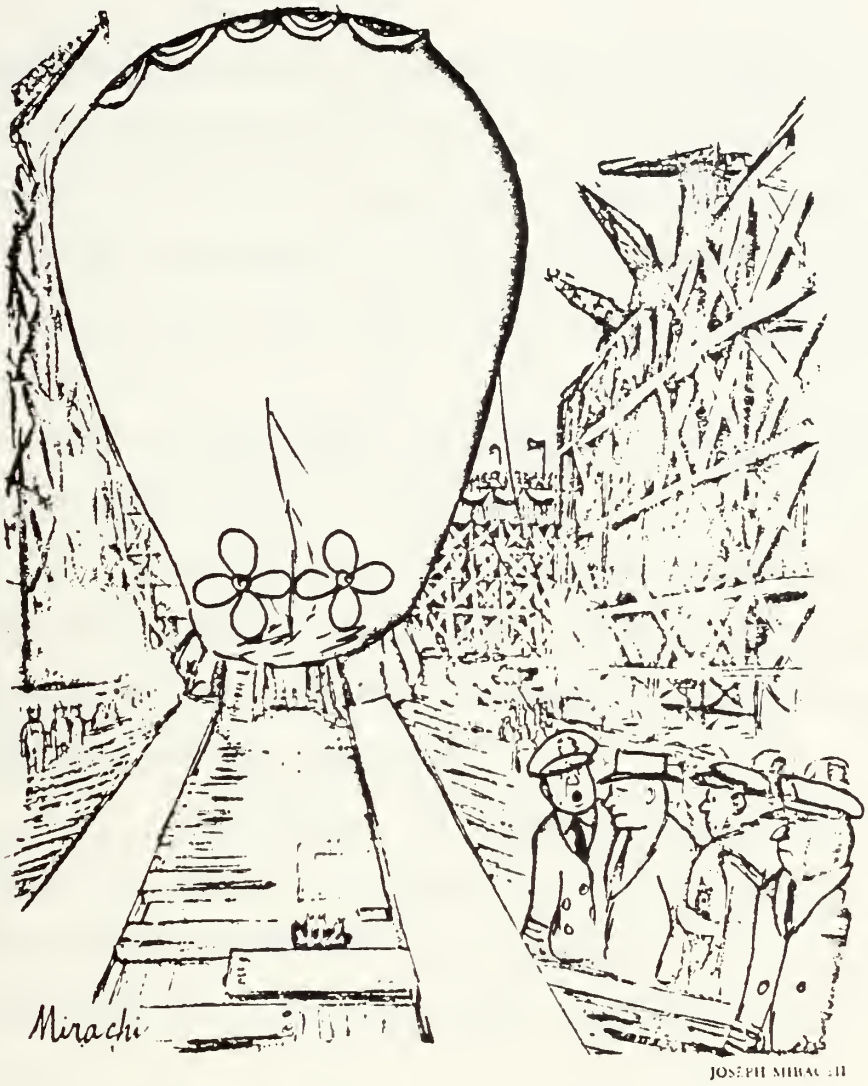
2. Evaluation Process

a. Preliminary Environmental Assessment (PEA)

(1) Background. Every action taken by the Navy has the potential, however remote, to affect the environment. The degree to which an action must be evaluated to determine its impact depends upon whether the action, based on past circumstances, could violate environmental laws, cause damage, or become controversial. In order to make commanders aware of the necessity for environmental consideration and to assist in determining what degree of study is needed, all actions normally require a PEA.

(2) Implementation. Activities must conduct a brief review of proposed actions to determine potential environmental impact, and to determine what level of study is required--categorical exception, environmental assessment or environmental statement.

(3) Documentation. The PEA must assess the impact of the proposed action, and document the findings in a local file memorandum.



"But Senator, we thought
the Environmental Assessment
(New Yorker, 1975) covered everything!"

b. Environmental Assessment (EA)

(1) Background. An environmental assessment is a concise public document which provides the information necessary to determine whether to prepare an environmental statement or a finding of no significant impact. Generally the EA is prepared when the results of the PEA indicate a need for a more detailed study of the impact of an action.

An assessment of an action will be made by the Major Claimant unless it has been determined that an environmental statement is to be prepared or that the action falls within the scope of a categorical exclusion as listed in OPNAVINST 6240.3. The OPNAV instruction also lists actions for which an EA is mandatory.

(2) Processing. EAs should conform to the format provided for environmental statements.

All EAs must be forwarded to CNO (OP-45) for review and disposition--either return to the originator for preparation of an environmental statement, or the drafting of a finding of no significant impact.

(3) Assistance. Information concerning preparation of EAs and ESs is contained in OPNAVINST 6240.3. Assistance in preparation of the documents may be available from the CNO (OP-45) staff, the RESOs at the EFDs, or from NESO.

c. Finding of No Significant Impact (FNSI)

The FNSI is the document in which the Navy presents the reasons why an action was determined not to have a significant impact on the environment, and therefore not subject to the requirement for an environmental statement. The EA should be appended to the FNSI.

d. Draft Environmental Statement (DES)

(1) Definition. The DES is the document prepared for those actions which may have a significant impact on the quality of the environment or which are potentially controversial.

The document is filed with the EPA and distributed to federal, state and local agencies, and private organizations and individuals for review and comment.

In determining whether an action could have a significant impact, consideration should be given to the geographical extent of the action, the long term impact, the risk potential, the presence of historic sites, the impact on endangered species, and other factors listed in OPNAVINST 6240.3.

(2) Scoping. As soon as possible after the determination to proceed with the DES has been made, public notification of the intention to process a DES shall be made.

(3) Preparation. The objective of the DES is to ensure that the concepts of the NEPA are considered in the decision-making process. The DES should be a fair discussion of significant environmental impacts, and should list the alternatives to the proposed action which would avoid any of the adverse impacts. DES statements should be concise and should contain clear evidence that the Navy has made the necessary environmental analysis.

Detailed DES format information is provided in the OPNAV instruction.

(4) Processing. The Major Claimant, or other subordinate command, which prepared the statement, submits it to the CNO (OP-45).

OP-45 reviews the document and evaluates the consideration of the environmental impact of the proposed action.

If it is to be filed as a DES, OP-45 forwards the document to SECNAV for subsequent filing with EPA; if approved, EPA will file the DES in the Federal Register.

e. Final Environmental Statement (FES)

After the passage of a minimum of 60 days from the date the announcement of the DES appears in the Federal Register, a Final Environmental Statement can be filed. All comments received during the review period will be forwarded to the originator for incorporation into the FES. After reviewing the comments, the originator will prepare a document setting forth all changes made to the DES, and addressing all adverse comments identified by the public.

When the FES has been completed, it is to be forwarded to CNO (OP-45) for review and disposition.

f. Document of Decision

No decision which would result in the irreversible commitment of natural resources or expenditure of funds shall be made until 90 days after publication of the Federal Register notice of filing of the DES, or until 30 days after publication of the Federal Register notice of filing of the FES with EPA.

At the time of decision on the proposed action or recommendation to Congress, CNO (OP-45) prepares a public record of decision, and publishes the notice in the Federal Record.

F. ENVIRONMENTAL AWARDS

The Secretary of the Navy Environmental Protection Awards are granted annually to ships and shore activities in eight categories, in recognition of outstanding environmental protection accomplishments during the preceding year. The objective of the program is to promote environmental protection by recognizing leadership in environmental matters, innovation in development of equipment, exemplary approaches to training and routine operations, and good housekeeping.

Entrants in the annual competition must provide documentation of compliance and excellence, supported when appropriate, by photos and impartial third-party reports.

Details concerning the award are contained in OPNAVINST 6240.3.

APPENDIX A

THE NATIONAL ENVIRONMENTAL POLICY ACT

PURPOSE

Sec. 2. The purposes of this Act are: To declare a national policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the Nation; and to establish a Council on Environmental Quality.

TITLE I

DECLARATION OF NATIONAL ENVIRONMENTAL POLICY

Sec. 101. (a) The Congress, recognizing the profound impact of man's activity on the interrelations of all components of the natural environment, particularly the profound influences of population growth, high-density urbanization, industrial expansion, resource exploitation, and new and expanding technological advances and recognizing further the critical importance of restoring and maintaining environmental quality to the overall welfare and development of man, declares that it is the continuing policy of the Federal Government, in cooperation with State and local governments, and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans.

(b) In order to carry out the policy set forth in this Act, it is the continuing responsibility of the Federal Government to use all practicable means, consistent with other essential considerations of national policy, to improve and coordinate Federal plans, functions, programs, and resources to the end that the Nation may—

(1) fulfill the responsibilities of each generation as trustee of the environment for succeeding generations;

(2) assure for all Americans safe, healthful, productive, and esthetically and culturally pleasing surroundings;

(3) attain the widest range of beneficial uses of the environment without degradation, risk to health or safety, or other undesirable and unintended consequences;

(4) preserve important historic, cultural, and natural aspects of our national heritage, and maintain, wherever possible, an environment which supports diversity and variety of individual choice;

(5) achieve a balance between population and resource use which will permit high standards of living and a wide sharing of life's amenities; and

(6) enhance the quality of renewable resources and approach the maximum attainable recycling of depletable resources.

(c) The Congress recognizes that each person should enjoy a healthful environment and that each person has a responsibility to contribute to the preservation and enhancement of the environment.

Sec. 102. The Congress authorizes and directs that, to the fullest extent possible: (1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act, and (2) all agencies of the Federal Government shall—

(A) utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decisionmaking which may have an impact on man's environment;

(B) identify and develop methods and procedures in consultation with the Council on Environmental Quality established by title II of this Act, which will insure that presently unquantified environmental amenities and values may be given appropriate consideration in decisionmaking along with economic and technical considerations;

(C) include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on—

(i) the environmental impact of the proposed action,

(ii) any adverse environmental effects which cannot be avoided should the proposal be implemented,

(iii) alternatives to the proposed action,

(iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and

(v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of title 5, United States Code, and shall accompany the proposal through the existing agency review processes;

(D) study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources;

(E) recognize the worldwide and long-range character of environmental problems and, where consistent with the foreign policy of the United States, lend appropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipating and preventing a decline in the quality of mankind's world environment;

(F) make available to States, counties, municipalities, institutions, and individuals, advice and information useful in restoring, maintaining, and enhancing the quality of the environment;

(G) initiate and utilize ecological information in the planning and development of resource-oriented projects; and

(H) assist the Council on Environmental Quality established by title II of this Act.

Sec. 103. All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this Act and shall propose to the President not later than July 1, 1971, such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this Act.

Sec. 104. Nothing in Section 102 or 103 shall in any way affect the specific statutory obligations of any Federal agency (1) to comply with criteria or standards of environmental quality, (2) to coordinate or consult with any other Federal or State agency, or (3) to act, or refrain from acting contingent upon the recommendations or certification of any other Federal or State agency.

Sec. 105. The policies and goals set forth in this Act are supplementary to those set forth in existing authorizations of Federal agencies.

TITLE II

COUNCIL ON ENVIRONMENTAL QUALITY

Sec. 201. The President shall transmit to the Congress annually beginning July 1, 1970, an Environmental Quality Report (hereinafter referred to as the "report") which shall set forth (1) the status and condition of the major natural, manmade, or altered environmental classes of the Nation, including, but not limited to, the air, the aquatic, including marine, estuarine, and fresh water, and the terrestrial environment, including, but not limited to, the forest dryland, wetland, range, urban, suburban, and rural environment; (2) current and foreseeable trends in the quality, management and utilization of such environments and the effects of those trends on the social, economic, and other requirements of the Nation; (3) the adequacy of available natural resources for fulfilling human and economic requirements of the Nation in the light of expected population pressures; (4) a review of the programs and activities (including regulatory activities) of the Federal Government, the State and local governments, and nongovernmental entities or individuals, with particular reference to their effect on the environment and on the conservation, development and utilization of natural resources; and (5) a program for remedying the deficiencies of existing programs and activities, together with recommendations for legislation.

Sec. 202. There is created in the Executive Office of the President a Council on Environmental Quality (hereinafter referred to as the "Council"). The Council shall be composed of three members who shall be appointed by the President to serve at his pleasure, by and with the advice and consent of the Senate. The President shall designate one of the members of the Council to serve as Chairman. Each member shall be a person who, as a result of his training, experience, and attainments, is exceptionally well qualified to analyze and interpret environmental trends and information of all kinds; to appraise programs and activities of the Federal Government in the light of the policy set forth in title I of this Act; to be conscious of and responsive to the scientific, economic, social, esthetic, and cultural needs and interests of the Nation; and to formulate and recommend national policies to promote the improvement of the quality of the environment.

Sec. 203. The Council may employ such officers and employees as may be necessary to carry out its functions under this Act. In addition, the Council may employ and fix the compensation of such experts and consultants as may be necessary for the carrying out of its functions under this Act, in accordance with section 3109 of title 5, United States Code (but without regard to the last sentence thereof).

Sec. 204. It shall be the duty and function of the Council—

(1) to assist and advise the President in the preparation of the Environmental Quality Report required by section 201;

(2) to gather timely and authoritative information concerning the conditions and trends in the quality of the environment both current and prospective, to analyze and interpret such information for the purpose of determining whether such conditions and trends are interfering, or are likely to interfere, with the achievement of the policy set forth in title I of this Act, and to compile and submit to the President studies relating to such conditions and trends;

(3) to review and appraise the various programs and activities of the Federal Government in the light of the policy set forth in title I of this Act for the purpose of determining the extent to which such programs and activities are contributing to the achievement of such policy, and to make recommendations to the President with respect thereto;

(4) to develop and recommend to the President national policies to foster and promote the improvement of environmental quality to meet the conservation, social, economic, health, and other requirements and goals of the Nation;

(5) to conduct investigations, studies, surveys, research, and analyses relating to ecological systems and environmental quality;

(6) to document and define changes in the natural environment, including the plant and animal systems, and to accumulate necessary data and other information for a continuing analysis of these changes or trends and an interpretation of their underlying causes;

(7) to report at least once each year to the President on the state and condition of the environment; and

(8) to make and furnish such studies, reports thereon, and recommendations with respect to matters of policy and legislation as the President may request.

Sec. 205. In exercising its powers, functions, and duties under this Act, the Council shall—

(1) consult with the Citizens' Advisory Committee on Environmental Quality established by Executive Order numbered 11472, dated May 29, 1969, and with such

representatives of science, industry, agriculture, labor, conservation organizations, State and local governments, and other groups, as it deems advisable; and

(2) utilize, to the fullest extent possible, the services, facilities, and information (including statistical information) of public and private agencies and organizations, and individuals, in order that duplication of effort and expense may be avoided, thus assuring that the Council's activities will not unnecessarily overlap or conflict with similar activities authorized by law and performed by established agencies.

Sec. 206. Members of the Council shall serve full time and the Chairman of the Council shall be compensated at the rate provided for Level II of the Executive Schedule Pay Rates (5 U.S.C. 5313). The other members of the Council shall be compensated at the rate provided for Level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315).

Sec. 207. There are authorized to be appropriated to carry out the provisions of this Act not to exceed $300,000 for fiscal year 1970, $700,000 for fiscal year 1971, and $1,000,000 for each fiscal year thereafter.

A-1. RIVERS AND HARBORS ACT OF 1899, 33 U.S.C. 40 et. seq.

An Act making appropriations for the construction, repair, and preservation of certain public works and harbors, and for other purposes.

A-2. THE OIL POLLUTION ACT, 1961, 33 U.S.C. 1001-1015, AS AMENDED BY P.L. 89-551, 33 U.S.C. 1001-1004, 1008, 1009, 1011, 1015, AND BY P.L. 93-119

An Act to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954. P.L. 93-119 implements the 1969 and 1971 amendments to the International Convention; but is not in effect at this time.

A-3. THE CLEAN AIR ACT AS AMENDED, 42 U.S.C. 1857 et. seq.

The Clean Air Act (42 USC 1857 et seq.) includes the Clean Air Act of 1968 (P.L. 88-206); and amendments made by the "Motor Vehicle Air Pollution Control Act," (P.L. 89-272, Oct. 20, 1965); the "Clean Air Act Amendments of 1966," (P.L. 89-675, Oct. 15, 1966); the "Air Quality Act of 1967," (P.L. 90-148, Nov. 21, 1967); and the "Clean Air Amendments of 1970," (P.L. 91-604, Dec. 31, 1970). Title I of this Act covers Air Pollution Prevention and Control' Title II, Emission Standards for Moving Sources; Title III General Matters, and Title IV, Noise Pollution.

A-4. WATER RESOURCES PLANNING ACT, JULY 22, 1965, AS AMENDED, 42 U.S.C. 1962d.

An Act to provide for the optimum development of the Nation's natural resources through the coordinated planning of water and related land resources.

A-5. SOLID WASTE DISPOSAL ACT, OCT. 20, 1965, AS AMENDED, 42 U.S.C. 3251 et. seq.

An Act to provide technical and financial assistance for the development of management plans and facilities for the recovery of energy and other resources from discarded materials and for the safe disposal of discarded materials, and to regulate the management of hazardous waste.

A-6. AIRCRAFT NOISE CONTROL, JULY 21, 1968, AS AMENDED, 49 U.S.C. 1431 et. seq.

Amendments to the Federal Aviation Act of 1958, to require aircraft noise abatement regulation, and for other purposes.

A-7. NATIONAL ENVIRONMENTAL POLICY ACT OF 1969, AS AMENDED, 42 U.S.C. 4321-4361

An Act to establish a national policy for the environment, to provide for the establishment of a Council on Environmental Quality, and for other related purposes.

A-8. CODE OF FEDERAL REGULATIONS, TITLE 40, PROTECTION OF ENVIRONMENT

A codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. The Code is divided into 50 titles which represent broad areas subject to Federal regulation. Title 40 covers the area of responsibility of the Environmental Protection Agency.

A-9. NATIONAL MATERIALS POLICY ACT OF 1970, OCT. 26, 1970 42 U.S.C. 3251

An Act to enhance environmental quality and conserve materials by developing national materials policy to use present resources and technology more efficiently, to anticipate the future materials requirements of the nation, and to make recommendations on the supply, use, recovery, and disposal of materials.

A-10. OCCUPATIONAL SAFETY AND HEALTH ACT, DEC. 29, 1970, 29 U.S.C. 651-678

An Act to assure safe and healthful working conditions for working men and women by authorizing enforcement of the standards developed under the Act; by assisting and encouraging the states in their efforts to assure safe and healthful working conditions; by providing for research, information, education, and training in the field of occupational safety and health; and for other purposes.

A-11. LEAD-BASED PAINT POISONING PREVENTION ACT, JAN. 13, 1971, 42 U.S.C. 4801, 4811, 4821, 4831, 4841-4843

An Act to provide Federal financial assistance to help cities and communities to develop and carry out intensive local programs to eliminate the causes of lead-based paint poisoning, to detect and treat incidents of such poisoning, to establish a Federal demonstration and research program to study the extent of the lead-based paint poisoning problem and the methods available for lead-based paint removal, and to prohibit future use of lead-based paint in Federal or Federally-assisted construction or rehabilitation.

A-12. FEDERAL ENVIRONMENTAL PESTICIDE CONTROL ACT OF 1972, OCTOBER 21, 1972, 7 U.S.C. 136-136y, 15 U.S.C. 1261, 1471, 21 U.S.C. 321, 346a.

An Act to amend the Federal Insecticide, Fungicide and Rodenticide Act, and for other purposes.

A-13. THE ENDANGERED SPECIES ACT OF 1973, DEC. 28, 1973 16 U.S.C. 1531 et. seq

An Act to determine both plant and animal species which might be threatened or endangered; and to specify geographically the "critical habitat" of such species wherein no action is to be taken concerning degradation of that habitat.

A-14. MARINE PROTECTION, RESEARCH AND SANCTUARIES ACT OF 1972, 33 U.S.C. 1401-1444

An Act of regulate the transportation for dumping, and the dumping of materials into ocean waters, and for other purposes.

A-15. MARINE RESOURCES AND ENGINEERING DEVELOPMENT ACT OF 1966 AMENDMENT, OCT. 27, 1972, P.L. 92-583

An Act of establish a national policy and develop a national program for the management, beneficial use, protection, and development of the land and water resources of the nation's coastal zones, and for other purposes.

A-16. FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED 33 U.S.C. 1251-1376

This legislation represents a complete rewrite of all existing water pollution control laws on the Federal statute books. It stands as a landmark in the history of elimination of all pollution from America's waters by 1985. The law requires secondary treatment for all municipal wastes by mid-1977, and the application of more advanced disposal methods by mid-1983. The Federal Water Pollution Control Act amendments of 1972, in effect, replace the following earlier legislation:

P.L. 80-845, Water Pollution Control Act, June 30, 1948, the first step toward restoring and preserving our national water resources.

P.L. 82-579, July 17, 1952, which extended the duration of the Water Pollution Control Act.

P.L. 84-660, Water Pollution Control Act Amendments of 1956.

P.L. 87-88, The Federal Water Pollution Control Act of 1961.

P.L. 89-234, The Water Quality Act of 1965.

P.L. 89-753, The Clean Water Restoration Act of 1966.

P.L. 91-224, Water Quality Improvement Act of 1970.

P.L. 68-238, The Oil Pollution Control Act of 1924.

A-17. NOISE CONTROL ACT OF 1972, OCT. 27, 1972, 42 U.S.C. 4901-4918, 49 U.S.C. 1431

An Act to establish a means for effective coordination of Federal research and activities in noise control, to authorize the establishment of Federal noise emission standards for products distributed in commerce, and to provide informatior to the public respecting the noise emission and noise reduction characteristics of such products.

A-18. NATIONAL HISTORIC PRESERVATION ACT OF 1966, 16 U.S.C. 470 et. seq.

An Act to provide for the nomination, identification (through listing on the National Register) and protection of historical and cultural properties of significance. Specific procedures are established for compliance including initial review authority by the cognizant State Historical Preservation Officer.

A-19. EXECUTIVE ORDERS AND REORGANIZATION PLANS

a. Executive Order 11472, May 29, 1969, establishes the Environmental Quality Council and the Citizens' Advisory Committee on Environmental Quality.

b. Reorganization Plan No. 3 of 1970, establishes the Environmental Protection Agency.

c. Executive Order 11752, Dec. 17, 1973, replaces E.O. 11507. It furthers the purpose and policies of the Clean Air Act; the Federal Water Pollution Control Act; the Solid Waste Disposal Act; the Noise Control Act; the Marine Protection, Research and Sanctuaries Act; the Federal Environmental Pesticide Control Act; and the National Environmental Policy Act, by providing for leadership respecting Federal facilities.

d. Executive Order 11514, March 5, 1970, provides, further, for policy and responsibilities related to the protection and enhancement of environmental quality (in furtherance of the National Environmental Policy Act).

e. Executive Order 11523, April 9, 1970, establishes The National Industrial Pollution Control Council.

f. Executive Order 11602, June 30, 1971, provides for the administration of the Clean Air Act with respect to Federal contracts.

g. Executive Order 11574, Dec. 23, 1970, provides for the administration of the Refuse Act Permit Program.

h. Executive Order 11643, Feb. 8, 1972, provides for environmental safeguards on activities for animal damage control on Federal lands.

i. Executive Order 11644, Feb. 8, 1972, establishes policies and provides for procedures that will ensure that the use of off-road vehicles on public lands will protect the resources of that land.

j. Executive Order 11991, May 24, 1977, restates the purpose of the National Environmental Policy Act of 1969 and instructs the Council on Environmental Quality to issue regulations to Federal agencies to "streamline" the NEPA process thereby making it (the process) more useful to decision-makers and the public. Also makes (through addition of new subsection (g) to Section 2) compliance to the new regulations mandatory except where inconsistent with statutory requirements.

k. Executive Order 11989, May 24, 1977, clarifies agency authority to define zones of use by off-road vehicles on public lands and amends E.O. 11644 of February 8, 1972 by exempting fire, military, emergency, law enforcement or combat/combat support vehicles.

l. Executive Order 11990, May 24, 1977, directs agencies to take action to protect wetlands on their (Federal) property; provides specific criteria for effect and mandates review of proposed actions on wetlands through procedures established by the National Environmental Policy Act (NEPA).

A-20. OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR NO. A-106 DATED DECEMBER 31, 1974

This circular provides procedures to be followed by Federal agencies in carrying out the provisions of Section 3a(3) of Executive Order 11752 pertaining to the control of environmental pollution from existing federal facilities.

A-21. GUIDELINES FOR FEDERAL AGENCIES UNDER THE NATIONAL ENVIRONMENTAL POLICY ACT, ISSUED BY THE COUNCIL ON ENVIRONMENTAL QUALITY, AUGUST 1, 1973 (40 CFR 1500)

Guidelines to Federal departments, agencies, and establishments for preparing detailed environmental statements on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment.

A-22. DEPARTMENT OF DEFENSE DIRECTIVES AND INSTRUCTIONS

a. DOD Directive 6050.1 of March 19, 1974, establishes policy, assigns responsibilities, and provides guidance on the Department of Defense administration of the National Environmental Policy Act of 1969 (P.L. 91-190).

b. DOD Directive 5100.50 of May 24, 1973, establishes procedures and assigns responsibilities for the use of DoD resources in the protection and enhancement of environmental quality and establishes the DOD Committee on Environmental Quality.

c. DOD Instruction 4120.14 of May 14, 1971, implements, within DoD, the new policies provided by E.O. 11507, and OMB Circulars A-78 and A-81; and establishes policies for developing and submitting plans for installing improvements needed to abate air and water pollution emanating from DoD facilities.

d. DOD Directive 5154.12 of August 21, 1968, established the Armed Forces Pest Control Board.

e. DOD Instruction 4150.7 of August 30, 1974 sets forth DoD standards for safe and efficient control of vectors of disease and of pests that destroy military property, or affect health and welfare, or cause injurious environmental imbalance.

f. DOD Directive 5500.5 of May 24, 1965, prescribes policies and establishes procedures for the conservation and management of natural resources (forests and woodlands, fish and wildlife, soil, water, grasslands, outdoor recreation and natural beauty).

g. DOD Instruction 4170.6 of June 21, 1965, establishes a program for fish and wildlife management.

h. DOD Instruction 4170.7 of June 31, 1965, prescribes procedures for a forest management program.

i. DOD Instruction 4170.8 of June 21, 1965, prescribes procedures for implementing a balanced and integrated program for soil and water management.

j. DOD Instruction 5000.13 of December 13, 1976, describes the Secretary of Defense Conservation Awards and provides information on submission of nominations for competition.

k. DOD Directive 5030.41 of October 3, 1972, sets forth DoD policy in support of the National Oil and Hazardous Substances Pollution Contingency Plan.

l. DOD Instruction 6050.2 of August 21, 1974, establishes DoD policies, procedures and criteria for controlling off-road travel by off-road vehicles on DoD land.

m. DOD Instruction 6050.3 of October 4, 1976 prescribes DoD policies and procedures concerning solid waste collection, disposal, material recovery and recycling.

n. DOD Directive 6050.4 of April 28, 1976, sets forth DoD policy and regulations governing the design, construction, installation, operation and certification of marine sanitation devices for ships.

COMPUTER DATE 75FEB20

ENVIRONMENTAL POLLUTION CONTROL
PROPOSED PROJECT REPORT
EXHIBIT 1 INFORMATION

(001) UIC N60258
(002) PROJECT NO W015L

MEDIA: WATER

(003) DATA PREPARED 01MAY74

(004) DATE REVISED 01NOV74

AGENCY: DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WESTERN DIVISION

GSA INVENTORY CONTROL NO: 23190

1. FACILITY: SHIPYARD
ADDRESS : LONG BEACH CALIFORNIA CTY: LOS ANGELES

AGENCY CONTACT: ROLLAND HAMILTON MGR, ENVIRONMENTAL BR (415) 871-2603

NARRATIVE
(LIMIT OF 65 POSITIONS PER LINE INCLUDING SPACES AND PUNCTUATION)

2. SPECIFIC TYPE OF POLLUTION:

(020)0010 DRAINAGE (INCIDENTAL) WASTEWATER FLOW FROM DRYDOCKS CAN CONTAIN
0020 SUSPENDED SOLIDS, SOLVENTS, PAINT, HYDROCARBONS, OIL,
0030 LUBRICANTS, HEAVY METALS, BACTERIA, FLOATING AND SETTLEABLE
0040 SOLIDS AND OTHER POLLUTANTS.

3. AMOUNT OF POLLUTION:

(030)0010 GENERATED: 2,200,000 GPD

4. POLLUTION SOURCE AND DISCHARGE, EMISSION OR DEPOSIT POINT:

(040)0010 THE PRIMARY SOURCES OF POLLUTANTS ARE SHIP REPAIR OPERATIONS
0020 OCCURRING IN DRYDOCKS INCLUDING ABRASIVE BLASTING, PAINTING AND
0030 CLEANING. THE PRIMARY VEHICLE FOR CONVEYING THE POLLUTANTS IS
0040 PLANNED AND UNCONTROLLED HYDROSTATIC RELIEF AND DRYDOCKED SHIPS
0050 COOLING WATER. CONTAMINATED WATER IS COLLECTED IN SUMPS IN
0060 GRAVING DOCKS AND PUMPED TO SAN PEDRO BAY. NO APPROPRIATELY
0070 SIZED SEWER EXISTS TO MANOLE DOCKED SHIPS CNT PUMP OUT.

5. EXISTING TREATMENT AND OTHER CONTROL MEASURES:

(050)0010 SANITARY WASTEWATERS ARE DIRECTED TO THE SANITARY SEWER WHEN
0020 OPERABLE SOME SOLIDS CATCH BASINS ARE PROVIDED IN
0030 GRAVING DOCKS. CLEAN UP OF SPENT ABRASIVE IS PRACTICED.
0040 TO THE MAXIMUM EXTENT POSSIBLE AT PRESENT.

COPY 2 TO: ENVIRONMENTAL PROTECTION DATA BASE PROJECT NO W015L

Pollution Control Report - Exhibit 1

COMPUTER DATE 75FEB20

ENVIRONMENTAL POLLUTION CONTROL
PROPOSED PROJECT REPORT (001) UIC N60258
EXHIBIT 1 INFORMATION (002) PROJECT NO W015L

MEDIA: WATER (003) DATA PREPARED 01MAY74

(004) DATE REVISED 01NOV74

5. EXISTING TREATMENT AND OTHER CONTROL MEASURES:

(050)0050 UNCONTAMINATED FLOWS ARE DIRECTED DIRECTLY TO CATCH BASINS AND
0060 TOXIC CHEMICALS ARE CONTAINED AT THEIR SOURCE.

6. EFFECTIVENESS OF EXISTING TREATMENT AND CONTROL:

(060)0010 EXISTING FACILITIES HAVE NO EFFECT ON DISSOLVED METALS, CAN
0020 NOT HANDLE LIQUID INDUSTRIAL WASTE OR CHT DUMPOUT, ARE NOT
0030 EFFICIENT IN EFFECTING CLEANUP OR PREVENTING WASTE LIQUID AND
0040 SOLID DISCHARGES AT THEIR SOURCES

7. REMEDIAL MEASURES PROPOSED AND ESTIMATED EFFECT ON CORRECTING PROBLEM:

(070)0010 THE PROBLEM WILL BE CORRECTED BY PROVIDING MODIFICATIONS
0020 TO EXISTING DRYDOCKS TO BY-PASS UNCONTAMINATED FLOW AND TO DIRECT
0030 REMAINING CONTAMINATED FLOW AND/OR THE POLLUTANTS CAUSING
0040 CONTAMINATION TO APPROPRIATE COLLECTION,TREATMENT
0050 AND DISPOSAL SYSTEMS

8. APPLICABLE STANDARDS:

(080)0010 P.L.92-500, SECTION 313, FEDERAL FACILITIES COMPLIANCE
0020 SECTION 402, NPDES PERMIT NO CA0003786, FOR EFFLUENT
0030 LIMITATIONS AND COMPLIANCE SCHEDULE SECTION 303, STATE
0040 OF CALIFORNIA "WATER QUALITY CONTROL PLAN (FOR)
0050 OCEAN WATERS OF CALIFORNIA", FOR RECEIVING WATER STANDARDS

9. PROJECT SCHEDULE:

(090)		AGENCY (MMM/YY)		REGULATION (MMM/YY)
DESIGN (COMPLETION)	(901)	JUL76	(906)	_____
CONSTR (START)	(902)	NOV76	(907)	_____
CONSTR (COMPLETION)	(903)	DEC77	(908)	_____
OPERATION (START)	(904)	JAN78	(909)	_____

COPY 2 TO: ENVIRONMENTAL PROTECTION DATA BASE PROJECT NO W015L

Pollution Control Report - Exhibit 1 (cont.)

COMPUTER DATE 75FEB20

ENVIRONMENTAL POLLUTION CONTROL
PROPOSED PROJECT REPORT
EXHIBIT 1 INFORMATION

(001) UIC N60258
(002) PROJECT NO W015L

MEDIA: WATER

(003) DATA PREPARED 01MAY74

(004) DATE REVISED 01NOV74

9. PROJECT SCHEDULE:

(090)		AGENCY (MMM/YY)	REGULATION (MMM/YY)
FINAL COMPLIANCE	(905) MAR78	(910) JUL77	

10. OTHER RELEVANT INFORMATION:

(100)0010 THE MAGNITUDE OF ANTICIPATED CONSTRUCTION AND REQUIREMENT FOR NOT
0020 INTERFERRING WITH CRITICAL SHIP REPAIR SCHEDULES MAKES IT
0030 IMPERATIVE THAT THIS PROJECT BE INCLUDED IN THE FY 76 MILCON
0040 PROGRAM TO ALLOW ADEQUATE CONSTRUCTION TIME TO ACHIEVE THE
0050 STATUTORY COMPLIANCE DEADLINE. SINCE THE PROJECT WAS
0060 DEFERRED TO FY77. IT IS RECOMMENDED THAT
0070 CONSTRUCTION BE SCHEDULED TO PROVIDE
0080 COMPLIANCE ORIENTED FACILITIES FIRST.
0090 THIS PROJECT (P-174) INCLUDES PREVIOUSLY
0100 DESIGNATED PROJECT P-181, DRYDOCK SEWERS.

(DE)(LINE) (USE GUIDE BELOW FOR CHANGING DATA-IF NECESSARY USE REVERSE SIDE)

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Pollution Control Report - Exhibit 1 (cont.)

COMPUTER DATE 75FE820

E N V I R O N M E N T A L P O L L U T I O N C O N T R O L
PROPOSED PROJECT REPORT
EXHIBIT 2 INFORMATION

(001) UIC N60258
(002) PROJECT NO W015L

MEDIA: WATER

(003) DATA PREPARED 01MAY74

(004) DATE REVISED 01NOV74

1. FACILITY: SHIPYARD
ADDRESS : LONG BEACH CALIFORNIA CTY: LOS ANGELES

AGENCY CONTACT: ROLLAND HAMILTON MGR, ENVIRONMENTAL BR (415) 871-2603

(005) VARIOUS LOCATIONS: NO

(014) SPECIAL AREA CODE:

(006) PROJECT NAME: DRYDOCK DRAINAGE COLLECTION AND TREATMENT
(L I M I T O F 50 P O S I T I O N S)

(007) REMARKS:

(008) REVISION NOTE: STATUS & DOLLAR CHANGE
(L I M I T O F 47 P O S I T I O N S)

(009) STATUS: PRELIMINARY PLANNING

(010) CONSTRUCTION COMPLETE: DEC77

(011) FUNDING COMMAND: NAVFAC

(012) PURPOSE: PROJECT

20. COST OF POLLUTION CONTROL MEASURES IN THOUSANDS OF DOLLARS:
(FUNDED FIGURES APPEAR IN PARENTHESES)

(200)

	(201) APPN	(202) FY	(203) DESIGN	(204) CONSTR	(205) FUNDED	(206) INTERNAL	(207) PROJECT	(208) NUMBERS
0010	MCON	77	150	4,020	NO	P-174		
			T O T A L C O S T S		4,170			

(013) PRIORITY: 9999

30. PRIORITY JUSTIFICATION:

(300)0010 IF THE EFFLUENT LIMITATIONS CONTAINED IN THE SHIPYARD NPDES PERMIT
0020 EFFECTIVE 15 MAR 74, ARE NOT MET BY 1 JULY 77, THE SHIPYARD WILL
0030 BE LIABLE TO CIVIL ACTION, IN FEDERAL COURT, WHICH CAN BE FILED
0040 BY EPA, THE STATE OR ANY CONCERNED CITIZEN. IF LITIGATION IS
0050 ADJUDICATED AGAINST THE SHIPYARD, FINES OF UP TO $25,000 PER DAY
0060 OF VIOLATION AND IMPRISONMENT OF UP TO 1 YEAR CAN BE LEVIED
0070 PURSUANT TO P.L. 92-500.

COPY 2 TO: ENVIRONMENTAL PROTECTION DATA BASE PROJECT NO W015L

Pollution Control Report - Exhibit 2

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